ATLANTIC GOLD CORPORATION
(FORMERLY SPUR VENTURES INC.)
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE SIX MONTHS ENDED – JUNE 30, 2014 AND 2013

INTRODUCTION

This MD&A has been prepared as of August 27, 2014, and should be read in conjunction with the Company's unaudited condensed interim financial statements with accompanying notes for the three and six months ended June 30, 2014 and 2013, as well as the audited annual consolidated financial statements for the years ended December 31, 2013 and 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The objective of this MD&A is to help the reader understand the factors affecting the Company's past and future financial performance. All amounts are reported in Canadian dollars, unless otherwise stated. Additional information on the Company can be found in the filings with Canadian security commissions on SEDAR at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to the Company's current review of potential mineral project investments and/or acquisitions, the estimation of mineral resources, the timing and content of upcoming programs, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations; actual results of planned expansion activities; changes in project parameters as plans continue to be refined; future prices of resources; exchange rates for Canadian and U.S. currencies; possible variations in grade or recovery rates, accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. In making the forward-looking statements in this MD&A, the Company has made certain key assumptions, including, but not limited to, the assumptions that merited mineral assets or projects can be acquired and financings are available. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements or information made in this MD&A, except as required under applicable securities legislation.

COMPANY PROFILE

Atlantic Gold Corporation (the "Company") is a company listed on the TSX Venture Exchange and the Australian Stock Exchange ("ASX") with a registered office at Suite 3083, Three Bentall Centre, 595 Burrard Street, Vancouver, B.C. Canada.

The Company has been focused on pursuing acquisitions or other corporate transactions in gold, base metals or other mineral-related assets or businesses. Refer to the section below entitled "Company Update" with respect to the acquisition of Atlantic Gold NL ("Atlantic") effective August 20, 2014.

The Company was admitted to the ASX on August 8, 2014. The Company changed its name from Spur Ventures Inc. to Atlantic Gold Corporation on the Implementation Date (as defined below).

COMPANY UPDATE

Subsequent Event - Acquisition of Atlantic and Company Name Change

On August 20, 2014 (the "Implementation Date"), the Company completed its acquisition of all the fully paid and partly paid ordinary shares on issue in Atlantic by way of a scheme of arrangement ("Scheme") under Part 5.1 of the Australian Corporations Act 2001 (Cth) between Atlantic and its shareholders (the "Transaction"). The Company accounted for the acquisition using the asset acquisition method of accounting. An accurate estimate of the financial effect of the acquisition could not be made as at the date of this report.

Concurrently with the implementation of the Scheme, the Company changed its name from Spur Ventures Inc. to Atlantic Gold Corporation. As at the Implementation Date, Wally Bucknell, former Managing Director of Atlantic has joined the Board of the Company and has also agreed to work with the Company as a consultant on a full time basis for a period of 12 months.

Under the terms of the acquisition, Atlantic shareholders holding fully paid ordinary shares received 0.05564 of a common share of the Company and 0.02782 of a share purchase warrant (each whole warrant a "Warrant") for each fully paid ordinary share of Atlantic held. Each Warrant is exercisable to acquire one common share of the Company for a period of four years following the Implementation Date at a price of $0.60 per share. Atlantic shareholders holding partly paid ordinary shares received 10% of the consideration otherwise payable to a holder of fully paid ordinary shares for each fully paid share held. As a result, a total of 46,275,272 common shares and 23,137,361 Warrants were issued to Atlantic shareholders.

News releases in respect of the Transaction are also available for review on the Company's website (www.atlanticgoldcorporation.com) and SEDAR (www.sedar.com).

Until the Implementation Date, Atlantic was an "ASX listed company focused on the exploration and development of the Touquoy Gold Project (which is at an advanced stage and has all major permits in place) and the Cochrane Hill Gold Project (which is at an earlier stage of development) located in the province of Nova Scotia, Canada.

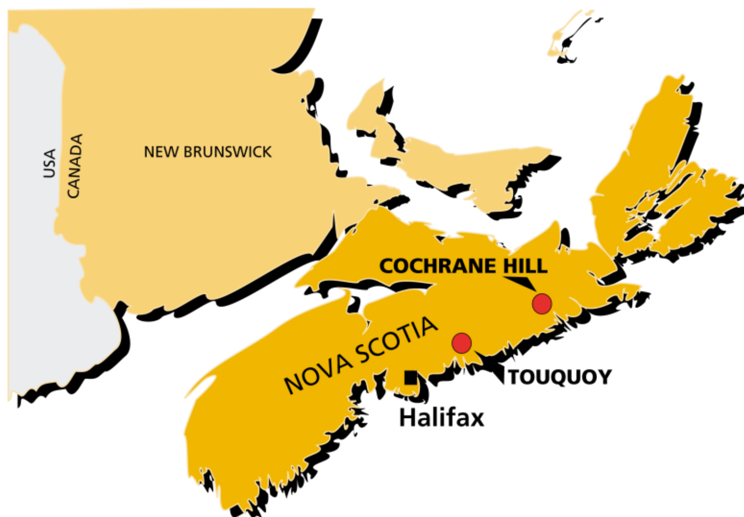
The acquisition of Atlantic creates a well-financed and development-focused gold group, which has an initial primary focus on the advancement of Atlantic's Touquoy Gold Project and Cochrane Hill Gold Project located in the Meguma Terrane of Nova Scotia. The transaction is expected to be the first step in a broader strategy to create a mid-tier gold production group which focuses on manageable, executable projects in mining-friendly jurisdictions.

Information on Atlantic

Atlantic's history in Nova Scotia dates back to 2003 when its predecessor company, Diamond Ventures NL acquired an option to earn a controlling interest in the Touquoy Property.

As noted above, Atlantic's two main development projects are the Touquoy Gold Project, located at the Touquoy Property and the Cochrane Hill Gold Project located at the Cochrane Hill Property.

Figure 1: Touquoy and Cochrane Hill



Atlantic also operates regional exploration programs throughout the Nova Scotia goldfields in Canada in an area known as the 'Meguma Terrane', a sequence of folded Cambro-Ordovician sediments. The Meguma Terrane in Nova Scotia is a goldfield defined by an extraordinarily high concentration of gold occurrences yet it remains relatively unexplored for shale-hosted disseminated gold deposits, the type of gold deposit represented by the Touquoy deposit and also in part the Cochrane Hill deposit. Gold mining in the Meguma Terrane has historically focused on narrow, discontinuous gold-bearing quartz veins located on or near the hinge zones of regional anticlines. In contrast, most of the gold mineralization at the Touquoy Gold Project is disseminated throughout grey shales and argillites which are largely devoid of quartz veins, although still located on a regional anticlinal axis.

Touquoy Gold Project

Description and Ownership

The Touquoy Gold Project is located at the former village of Moose River Gold Mines about 70 minutes' drive via 110km of sealed road north-east from Halifax. The Touquoy Property covers an area of approximately 1,760 ha.

The Touquoy Property is secured under a Mineral Lease (ML11-1) comprising 49 claims and a surrounding Exploration License (EL10377) comprising 64 claims.

The Touquoy Gold Project is held by DDV Gold Ltd ("DDV", Atlantic's wholly-owned subsidiary) pursuant to an Agreement between Atlantic, DDV and private Nova Scotia incorporated company Moose River Resources Inc. ("MRRI"). Atlantic, through DDV has a joint venture ownership interest of 60% in the Touquoy Gold Project with MRRI and is the operator and manager of the Touquoy Gold Project, responsible for funding all capital and operating expenditures. When in production payments to MRRI will commence after all pre-production costs, including historical exploration, permitting, mine development, capital, financing and other costs incurred in bringing the Touquoy Gold Project into production, and ongoing operating, capital, exploration and overhead costs have been recovered by DDV. DDV holds an 8.7% beneficial interest in MRRI for a total effective ownership interest of 63.5% in the joint venture.

A private net smelter return royalty of 3% is also payable in respect of the Touquoy Gold Project, two-thirds of which can be purchased for C$2.5 million.

Project Status

The Touquoy Gold Project is well advanced with all major environmental permits – Environmental Assessment Approval and Industrial Approval – in place and with a Mineral Lease granted.

In addition, title is now held and possession secured of all 63 private properties required for the development of the Touquoy Gold Project, following a lengthy court process, particularly in relation to the last property acquired. Details relating to compensation in respect of 11 expropriated properties on the basis of independent valuations previously conducted remain under discussion with legal representatives of the estates or former landowners.

In relation to the seven parcels of Crown land required within the footprint of the Touquoy Gold Project, the Nova Scotia Department of Natural Resources has now received Cabinet approval to issue the lease and has prepared the requisite documentation.

On 24 May 2014, Atlantic announced that a Memorandum of Understanding ("MOU") between DDV and the Assembly of Nova Scotia Mi'kmaq Chiefs had been concluded. The MOU establishes the mutual recognition and respect of each party's perspective in relation to the development of the Touquoy Gold Project and DDV's other potential resource developments elsewhere within Nova Scotia including Cochrane Hill (discussed below). In particular the MOU contemplates the negotiation and conclusion of a Mutual Benefits Agreement between the parties to engage further and specifically in terms of employment, training, provision of services and other opportunities and undertakings to the benefit of both parties.

Mineral Resource Estimate

The Touquoy Gold Project hosts Mineral Resources prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and JORC (2012) as disclosed in Table 1 below. The table sets out the global recoverable measured and indicated, and inferred resource estimates for the Touquoy Gold Project at a cut-off of 0.50 g/t Au, which has been highlighted in the NI

43-101 Report as a possible cut-off for open pit mining. At this time, however, no NI-43-101 compliant economic studies have been completed and the economic cut-off is therefore unknown. The resource is relatively well drilled out at a drill hole spacing of 25 metres by 20 metres and much of the inferred resource that remains lies peripheral to the main concentrations of gold mineralization.

Table 1: Touquoy Mineral Resource Estimate (0.5 g/t cut-off) – Effective August 1, 2014*

Category	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (oz)
Measured Resources	2.8	1.5	130,000
Indicated Resources	7.3	1.5	350,000
Resources (M + I)	**10.1**	**1.5**	**480,000**
Inferred Resources	1.6	1.5	77,000

** Key assumptions used to estimate the Mineral Resources include the following:*

1. *There are two main styles of gold mineralization, which are reflected in the geological domaining used in the resource modeling*
2. *Drill hole sampling has provided a reasonably representative set of samples of the gold mineralization*
3. *Multiple Indicator Kriging (MIK) is an appropriate method for estimating the Mineral Resources in these deposits*

Mineral Resources that are not mineral reserves do not have demonstrated economic viability. The Touquoy Mineral Resource estimates are based on a National Instrument 43-101 technical report entitled "Mineral Resource Estimate for The Touquoy Gold Project, Halifax County, Nova Scotia, Canada" dated August 1, 2014 which has been prepared in respect of the Touquoy Gold Project by FSS International Consultants (Aust) Pty. Ltd. ("FSSI") of Beecroft, NSW, Australia, and is available for review on the Company's website and on SEDAR (www.sedar.com).

Cochrane Hill Project

Description and Ownership

The Cochrane Hill Gold Project is an earlier stage development project, owned 100% by Atlantic. It is located approximately 80 km east of the Touquoy Property and about 35 kilometres south of the town of Antigonish. It is accessible via Highway #7 which passes within 300 metres of the old Cochrane Hill mine site.

The Cochrane Hill Property is secured under a single Exploration License (EL6310) comprising 53 claims. The Cochrane Hill deposit is located entirely within ungranted Crown lands.

Comprehensive infill drilling is yet to be completed at the Cochrane Hill Gold Project. However, 39 diamond holes drilled by Atlantic in 2008 and 2009, combined with a further 89 holes from drilling in the 1970s and 1980s by previous explorers, for a total of approximately 15,200m of drilling, has established a substantial mineral resource.

Project Status

The Cochrane Hill Project is in a less advanced stage than Touquoy but is at the stage where a Preliminary Economic Assessment can be conducted to determine the economic viability of project development. If the study results indicate the potential viability of the project then additional drilling will be required to better define the resources identified in the report referred to below. Cochrane Hill will also be required to satisfy a comprehensive regulatory environmental review and other regulatory measures

required to develop a mining operation in Nova Scotia. Cochrane Hill is subject of the MOU between DDV and the Assembly of Nova Scotia Mi'kmaq Chiefs as mentioned above.

The Cochrane Hill Mineral Resource Estimate

The Cochrane Hill Gold Project hosts Mineral Resources prepared in accordance with NI 43-101 and JORC (2012) as disclosed in Table 2 below. The table sets out the global estimates of measured and indicated, and inferred gold resources for Cochrane Hill at a cut-off grade of 0.50 g/t Au which has been highlighted in the Cochrane Hill NI 43-101 report as a possible cut-off for open pit mining. At this time, however, no NI-43-101 compliant economic studies have been completed and the economic cut-off is therefore unknown.

Table 2 - Cochrane Hill Mineral Resource Estimate (0.5 g/t cut-off) – Effective as at August 1, 2014*

Category	Tonnes (Mt)	Grade (g/t Au)	Au Ounces (oz)
Indicated Resources	4.5	1.8	251,000
Inferred Resources	5.6	1.6	298,000

** Key assumptions used to estimate the Mineral Resources include the following:*

1. *There are two main styles of gold mineralization, which are reflected in the geological domaining used in the resource modeling*
2. *Drill hole sampling has provided a reasonably representative set of samples of the gold mineralization*
3. *Multiple Indicator Kriging (MIK) is an appropriate method for estimating the Mineral Resources in these deposits*

Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

The Cochrane Hill Mineral Resource estimates are based on a National Instrument 43-101 technical report entitled "Technical Report of the Cochrane Hill Gold Project, Nova Scotia " dated August 1, 2014 which has been prepared in respect of the Cochrane Hill Gold Project by FSS International Consultants (Aust) Pty. Ltd. ("FSSI") of Beecroft, NSW, Australia, and is available for review on the Company's website and on SEDAR (www.sedar.com).

Exploration Properties

Atlantic's regional land package in Nova Scotia presently comprises approximately 260 km^2 of claims specifically selected to explore for Touquoy/Cochrane Hill style disseminated gold mineralization. At this time such mineralization has been identified at six sites – West Caledonia, Caduesky Lake, Moses Lake, East Rawdon, Fifteen Mile Brook and Kemptville (refer to regional map for locations). Since the end of the Quarter a short program of shallow interface RC drilling was conducted at West Caledonia (14 holes for 162 m) and Kemptville (19 holes for 330 m), and a program of two diamond drillholes for 200 m to follow up previous interface anomalies was commenced at Caduesky. Assay results are pending. Part of this drilling is funded by the Nova Scotia Mineral Incentive Program through the Nova Scotia Department of Natural Resources.

O U T L O O K

As at June 30, 2014, the Company had $27,943,814 of cash and cash equivalents. The Company is currently focused on the completion of a targeted review of Atlantic at a strategic, operations and financial level, in particular

- review of Atlantic's gold projects, including a review of all available technical and financial data, so that ongoing and future development and exploration programs can be optimised;
- further technical review and economic analysis in respect of the Touquoy Gold Project and the Cochrane Hill Gold Project, including an assessment of co-development options;
- assessment of additional technical work required at the Cochrane Hill Property to further delineate resources and convert resources to the measured and indicated category;
- assessment of project financing alternatives for the development of Atlantic's gold projects;
- assessment of further environmental and other development related permitting and other requirements relating to the future development of the Cochrane Hill Gold Project; and
- ongoing discussions and negotiations with the Mi'kmaq community in respect of Mutual Benefits Agreements in respect of the Merged Group's gold projects in Nova Scotia.

Neil Schofield, MS Applied Earth Sciences, MAusIMM, MAIG, a Qualified Person as defined by NI 43-101, has reviewed and is responsible for the technical information contained in this MD&A.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Three months ended June 30, 2014

The net loss for the three months ended June 30, 2014 was $394,105 compared to a net loss of $287,619 for the same period in 2013. The increase in net loss of $106,486 was primarily attributable to a $71,922 increase in transfer agent and filing fees in respect of the Company's listing on the ASX; and a $27,160 increase to share-based payments representing the Black-Scholes calculated fair value of stock options granted and vested to directors, officers, consultants and employees during the period. Other significant items include $103,423 of management fees, salaries and benefits (2013: $115,502) and corporate development expense of $105,968 (2013: $112,631) reflecting consulting, legal and travel expenses incurred as part of the Company's review of potential acquisition and investment opportunities.

The Company also recorded interest income of $105,500 during the three months ended June 30, 2014 (2013: $108,930) relating to interest earned on various GIC investments by the Company.

Six months ended June 30, 2014

The net loss for the six months ended June 30, 2014 was $779,454 compared to a net loss of $685,197 for the same period in 2013. The increase in net loss of $94,257 was primarily attributable to a $63,438 increase in transfer agent and filing fees in respect of the Company's listing on the ASX as a result of the acquisition of Atlantic; an increase in corporate development costs of $67,645 reflecting consulting, legal and travel expenses in respect of review and evaluation of potential acquisitions and investment opportunities; partially offset by a decrease of $46,533 in management fees, salaries and benefits resulting from staff restructuring.

The Company also recorded interest income of $210,085 during the six months ended June 30, 2014 (2013: $215,621) relating to interest earned on various GIC investments by the Company.

Financial Position

Total assets decreased from $29,157,630 at December 31, 2013 to $29,089,596 at June 30, 2014. The most significant assets at June 30, 2014 comprised cash and cash equivalents of $27,943,814 (December 31, 2013: $28,922,649) and deferred acquisition costs of $933,649 (December 31, 2013: $nil). The Company's net working capital position at June 30, 2014 was $27,480,026 (December 31, 2013: $29,071,093).

The decrease in cash during the six months ended June 30, 2014 of $978,835 resulted from $898,189 incurred in operating activities relating to corporate development and ongoing operational matters, as well as $342,835 paid in respect of professional and other fees pertaining to the acquisition of Atlantic, partially offset by a cash inflow of $262,188 in interest income from GIC investments.

The deferred acquisition costs of $933,649 represent professional and other fees in connection with the acquisition of Atlantic. Such costs have been capitalized as the Company has concluded that the Transaction will be accounted for using the asset acquisition method of accounting.

Shareholders' equity comprises share capital of $53,258,507 (December 31, 2013: $53,258,507), contributed surplus of $10,345,967 (December 31, 2013: $10,227,578), and a deficit of $35,179,689 (December 31, 2013: $34,400,235) for a net amount of $28,424,785 (December 31, 2013: $29,085,850). The decrease in shareholders' equity of $661,065 results from the net loss in the six months ended June 30, 2014 ($779,454), partially offset by share-based compensation recognized under the graded amortization method from the vesting of stock options ($118,389).

Summary of Quarterly Results

	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Total Revenue (Note 1)	N/A	N/A	N/A	N/A
Net loss for the period	$ (394,105)	$ (385,349)	$ (295,965)	$ (250,645)
Loss per share - basic and diluted	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)

	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Total Revenue (Note 1)	N/A	N/A	N/A	N/A
Net loss for the period	$ (287,618)	$ (397,578)	$ (311,617)	$ (266,063)
Loss per share - basic and diluted	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.00)

Note 1 – As the Company has yet to secure a mineral related asset in production, the Company has no Revenue to report during the financial reporting periods noted above.

The net loss in Q4 2012 and Q1 2013 increased when compared to Q3 2012 due to share based payments recognized as a result of the granting of stock options in November 2012 as well as increased corporate development costs associated with executing the Company's corporate development activities. The net loss during Q2 2013 of $287,618 represents a decrease in net loss of $109,960 compared to the three month period ended March 31, 2013 ($397,578), primarily due to decreased corporate development

costs incurred during Q1 2013. The operating expenditures and net loss in Q3 and Q4 2013 are relatively consistent with the operating expenditures and net loss in Q2 2013. The net loss in Q1 and Q2 2014 increased compared to Q3 and Q4 2013 given increased corporate development expenditures and transfer and agent and filing fees related to the Company's strategic initiative and the potential transaction with Atlantic.

LIQUIDITY and CAPITAL RESOURCES

As at June 30, 2014, the Company had a balance of $27,943,814 in cash deposits and short-term GICs with major Canadian financial institutions.

The Company has a five-year office lease agreement expiring September 30, 2015 and shares office space and related costs with three related companies. A summary of the Company's commitments is set out below:

2014	$	44,954
2015		67,431
	$	112,385

The Company believes that it has sufficient funding to meet its obligations and to maintain administrative and operational expenditures for the next 12 months.

OFF - BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS

On July 28, 2014, a total of 300,000 stock options with an exercise price of $0.28 expired.

Refer above to the section entitled "Subsequent Event - Acquisition of Atlantic and Company Name Change" for further details regarding the acquisition of Atlantic by the Company.

OTHER MD&A REQUIREMENTS

Related party transactions and key management compensation

a) Key management compensation

Key management includes the Company's directors, President and Chief Executive Officer, and Chief Financial Officer. Compensation awarded to key management is presented in the table below:

Related Party	Compensation Type	**Three months ended June 30, 2014**	Three months ended June 30, 2013	**Six months ended June 30, 2014**	Six months ended June 30, 2013
John Morgan - President and CEO	Wages, benefits, and share-based payments	$ 88,555	$ 75,493	**$ 151,147**	$ 154,836
Robert Atkinson	Directors' fees and share-based payments	10,584	7,079	**16,132**	15,483
Don Siemens	Directors' fees and share-based payments	10,584	7,079	**16,132**	15,483
David Black	Directors' fees and share-based payments	10,584	7,079	**16,132**	15,483
William Armstrong	Directors' fees and share-based payments	8,996	-	**10,912**	-
Robert Rennie	Directors' fees and share-based payments	-	49,571	**-**	61,065
Steven Dean	Share-based payments	33,168	8,769	**35,909**	22,079
Irfan Shariff	Share-based payments	19,036	3,345	**20,134**	8,298
		$ 181,508	$ 158,415	**$ 266,499**	$ 292,726

b) Payments for services by related parties

During the three and six months ended June 30, 2014 and 2013, the Company incurred corporate consulting fees of $21,420 and $42,840 respectively to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by Steven Dean, a director and officer of the Company. As at June 30, 2014, the Company owed $nil to Sirocco (December 31, 2013: $4,452).

During the three and six months ended June 30, 2014 and 2013, the Company incurred corporate consulting fees of $15,300 and $30,600 respectively to Shariff Advisory Services Ltd. ("Shariff"), a company controlled by Irfan Shariff, an officer of the Company. As at June 30, 2014, the Company owed $nil to Shariff (December 31, 2013: $533).

During the three and six months ended June 30, 2014, the Company incurred corporate consulting fees of $nil (2013: $5,268 and $57,948 respectively) to Keppoch Advisory Services Ltd. ("Keppoch"), a company controlled by Robert Rennie, a former director and officer of the Company. As at June 30, 2014, the Company owed $nil to Keppoch (December 31, 2013: $nil).

During the three and six months ended June 30, 2014, the Company incurred geological consulting fees of $15,000 and $20,000 (2013: $Nil) to Metallica Consulting Co. ("Metallica"), a company controlled by William Armstrong, a director of the Company. As at June 30, 2014, the Company owed $nil to Metallica (December 31, 2013: $5,250).

c) Services provided to related parties

The Company charged office lease and administrative expenditures to Oceanic Iron Ore Corp. ("Oceanic"), a Company with an officer and a director in common. During the three and six months ended June 30, 2014, office lease and administrative expenditures billed to Oceanic amounted to $35,851 and $71,767 respectively (2013: $33,479 and $67,598). As at June 30, 2014, the Company was owed $37,644 from Oceanic (December 31, 2013: $35,676).

The Company charged office lease and administrative expenditures to Cassius Ventures Ltd. ("Cassius"), a Company with an officer and a director in common. During the three and six months ended June 30, 2014, office lease and administrative expenditures billed to Cassius amounted to

$2,162 and $4,537 respectively (2013: $4,276 and $8,861 respectively). As at June 30, 2014, the Company was owed $32,979 from Cassius (December 31, 2013: $27,370).

As at June 30, 2014 the Company owed $12,503 (December 31, 2013: $nil) to key management personnel with respect to reimbursement of expenses. Amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Critical Accounting Estimates and Judgements and Significant Accounting Policies

The preparation of the consolidated financial statements in compliance with IFRS requires management to make estimates and judgements. These estimates affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the periods.

In the opinion of management, all adjustments considered necessary for fair presentation of the results for the years presented have been reflected in the consolidated financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include: no gain has been recorded for the CDN $4.75 million contingent payment from the sale of Spur BVI as there is a significant amount of uncertainty that the conditions required to receive the contingent payment will be met; and the estimated fair values of net assets acquired with regards to the acquisition of Atlantic noted above.

Key judgments include the Company's assessment to account for the acquisition of Atlantic as an asset acquisition for accounting purposes.

Please refer to Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2013 for a summary of the Company's significant accounting policies.

Change in Presentation Currency to Canadian Dollars

In order to reflect the reporting currency based on the functional currency of the Company, effective January 1, 2014, the Company changed its presentation currency from the U.S. dollar to the Canadian dollar. The functional currency of the Company's previously owned subsidiary, Spur BVI, was U.S. dollars.

The change in presentation currency represents a change in accounting policy which has been applied retrospectively from January 1, 2010, the transition date to IFRS, onwards. The Company had no subsidiaries as at the effective date and its functional currency is now the Canadian dollar. As there are no longer any exchange differences due to the translation of foreign currency balances and transactions, the Company no longer presents a balance in accumulated other comprehensive income (loss).

New and revised International Financial Reporting Standards

Standards adopted in the period

IFRIC 21, Levies ("IFRIC 21")

The Company adopted IFRIC 21 on January 1, 2014 with retrospective application. IFRIC 21 provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation.

The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized. An example of a common levy is property taxes. IFRIC 21 defines an obligating event as the activity that triggers the payment of the levy, as identified by legislation. A liability to pay a levy is recognized at the date of the obligating event, which may be at a point in time or over a period of time. The fact that an entity is economically compelled to continue to operate in the future, or prepares its financial statements on a going concern basis, does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

The adoption of IFRIC 21 did not affect The Company's financial statements or disclosures as the Company's analysis determined that no changes were required to existing accounting treatment of levies.

Standards not yet effective

IFRS 9 – Financial instruments

In May 2011, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments. The required adoption date for IFRS 9 has been deferred from the original adoption date of January 1, 2015 to all annual periods beginning on or after January 1, 2018. The Company has yet to commence assessing the impact of this new standard.

Outstanding Share Data

As at the date of this report, there were 106,682,459 common shares issued and outstanding.

As at the date of this report, there were 7,673,700 stock options outstanding.

As at the date of this report, there were 23,137,361 share purchase warrants outstanding.

Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss, loans and receivables, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition. Where the Company expects to realize the asset or discharge the liability within twelve months, it is recorded as a current asset or liability; otherwise, it is recorded as a long-term asset or liability.

Financial assets and liabilities at fair value through profit and loss are considered to be held for trading. A financial asset or liability is classified in this category is acquired principally for the purpose of selling or

redeeming in the short-term. Derivatives are included in this category unless they are designated as hedges.

Financial assets and liabilities carried at fair value through profit and loss are initially recognized at fair value and are subsequently re-measured to their fair value at each statement of financial position date. Realized and unrealized gains and losses arising from changes in the fair value of these financial assets or liabilities are included in the statement of income in the period in which they arise.

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not classified in any of the other categories. Available-for-sale assets are initially recorded at fair value plus transaction costs and are subsequently carried at fair value. Unrealized gains and losses arising from changes in the fair value of non-monetary assets classified as available-for-sale are recognized in other comprehensive income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Other financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received (net of transaction costs) and the redemption value is recognized in the statement of income over the period to maturity using the effective interest method.

Financial Risk Management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, receivables, due from related parties, accounts payable, and due to related parties.

Cash and cash equivalents, receivables, and due from related parties are designated as loans and receivables and are measured at amortized cost.

Accounts payable, and amounts due to related parties are classified as other financial liabilities, which are measured at amortized cost.

Financial instruments of the Company as at June 30, 2014 and December 31, 2013 are summarized as follows:

	June 30, 2014		December 31, 2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Loans and receivables				
Cash and cash equivalents	$27,943,814	$ 27,943,814	$ 28,922,649	$ 28,922,649
Receivables	93,343	93,343	113,545	113,545
Due from related parties	69,778	69,778	63,046	63,046
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$ 664,734	$ 664,734	$ 61,545	$ 61,545
Due to related parties	77	77	10,235	10,235

Management has determined that there are no embedded derivatives.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and cash equivalents, receivables, and due from related parties. The Company has concentration of risk with respect to cash being held with two large Canadian financial institutions. The Company's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the carrying value of the financial assets noted above.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. The Company's cash and cash equivalents are invested in business accounts and term deposits which are available on demand. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and our cash needs over the short term. Contractual undiscounted cash flow requirements for financial liabilities as at June 30, 2014 and December 31, 2013 comprise accounts payable, accrued liabilities, and due to related parties as presented on the Statements of Financial Position and are due in less than 1 year.

Market Risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in its cash and cash equivalents. The Company manages market risk by investing funds with reputable financial institutions that provide competitive rates of return.

The Company's financial instruments are not subject to significant fluctuation due to changes in equity prices of investments included in marketable securities, commodity prices or foreign exchange rates.

The Company's interest rate risk mainly arises from the interest rate impact on its interest income derived from Canadian Dollar cash and deposits. The Company invests surplus cash in fixed rate term deposits. It is the Company's policy to reduce interest rate risk over future cash flows through the use of instruments with a history of returns. A 1% change in interest rates would have a $278,448 impact on net loss and comprehensive loss.

Fair Value

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The carrying values of cash and cash equivalents, receivables, due from related parties, accounts payable, and due from related parties approximate their fair values due to their short term nature.

Risks and Uncertainties

The Company is focused on acquisitions or other corporate transactions in gold, base metals, or other mineral-related assets or businesses. Due to the nature of the Company's proposed business, the following risk factors, among others, will apply:

Key Personnel

The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of us in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

There is no certainty that the expenditures made by the Company toward the search and evaluation of minerals will result in discoveries of mineral resources, Mineral Reserves or any other mineral occurrences.

Political Stability and Government Regulation Risks

The operations of the Company are currently conducted in Nova Scotia, Canada. As such, the operations of the Company are exposed to various levels of political, economic and other risks and

uncertainties. These risks and uncertainties include, but are not limited to: terrorism; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitudes in Nova Scotia or Canada more broadly may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

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

reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

Fluctuations in Metal Prices

The price of the common shares, and the financial results and exploration, development and mining activities of the Company, may in the future be significantly and adversely affected by declines in the prices of gold and other metals or minerals. The prices of gold and other metals or minerals fluctuate widely and are affected by numerous factors beyond the control of the Company such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market prices of gold or other metals or minerals could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the prices of gold and other metals and minerals, cash flow from mining operations could not be sufficient and the Company may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's properties is dependent upon the prices of gold and other metals and minerals being adequate to make these properties economically viable.

In addition to adversely affecting the resource estimates of the Company and its financial condition, declining commodity prices can affect operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or interrupt operations until the reassessment can be completed.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.