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

INTRODUCTION

This MD&A has been prepared as of November,13 2014, and should be read in conjunction with the Company's unaudited condensed interim financial statements with accompanying notes for the three and nine months ended September 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.

C O M P A N Y P R O F I L E

Atlantic Gold Corporation ("Atlantic", or 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 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).

During the quarter, the Company completed the acquisitions of Atlantic Gold NL ("Atlantic NL") and Acadian Mining Corporation ("Acadian"). These acquisitions have provided the Company with a strong base of gold development assets which it is now focused on advancing. In addition, the Company continues to actively review potential acquisitions and investment opportunities.

C O M P A N Y U P D A T E

Acquisition of Atlantic NL 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 NL by way of a scheme of arrangement ("Scheme") under Part 5.1 of the Australian Corporations Act 2001 (Cth) between Atlantic NL and its shareholders (the "Transaction").

Concurrently with the implementation of the Scheme, the Company changed its name from Spur Ventures Inc. to Atlantic Gold Corporation. At the Implementation Date, Wally Bucknell, former Managing Director of Atlantic NL joined the Board of the Company.

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.

Until the Implementation Date, Atlantic NL 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.

Acquisition of Acadian

On September 2, 2014, the Company announced that it had entered into a share purchase agreement with LionGold Mining Canada Inc. (the "Vendor") and LionGold Corp Ltd as Guarantor to acquire all of the issued share capital of Acadian in exchange for 8,876,542 common shares (the "Consideration Shares") of the Company and $3,610,740 in cash comprising the cash consideration of $4,260,740 less a net liability adjustment of $650,000. The transaction completed on September 19, 2014. Under the terms of the Agreement, a total of 2,000,000 Consideration Shares were held back from issuance to the Vendor pending the completion of certain post-closing deliverables.

The assets of Acadian consist of the Beaver Dam and Fifteen Mile Stream Gold Projects, which have defined mineral resource and historical resource estimates (see "Mineral Resources" section below), in addition to an extensive portfolio of exploration properties and a royalty portfolio consisting of 1% NSR royalties on three past producing gold mines in Nova Scotia.

News releases in respect of both the Atlantic NL and Acadian transactions are available for review on the Company's website (www.atlanticgoldcorporation.com) and SEDAR (www.sedar.com).

KEY MILESTONES AND OUTLOOK

Since completing the acquisitions of Atlantic NL and Acadian, the Company has met a number of corporate and development milestones and has clearly defined its next steps for development:

- Completed and filed a Preliminary Economic Assessment ("PEA") analyzing two potential development cases in respect of the Company's Touquoy, Beaver Dam and Cochrane Hill Gold Projects. The results of the PEA are summarized below and the full PEA document is available for review on the Company's website and SEDAR;

- Continued technical work in preparation for delivery of a Feasibility Study as well as environmental impact assessment and permitting, including:
  - Engaging Ausenco Canada Inc., FSSI International Consultants Pty Ltd. and Moose Mountain Technical Services to lead the preparation of the Company's Feasibility Study, which the Company expects to complete in mid-2015;
  - Commencing a resource definition drilling program of approximately 4,500-5,000 meters at the Beaver Dam Project, expected to be completed by the end of the year;
  - Planning for a resource definition drilling program at the Cochrane Hill Project of approximately 6,000 - 7,000 meters expecting to commence in early 2015;
  - Regulatory consultation, planning, scoping and initial environmental fieldwork related to both the Beaver Dam Project and the Cochrane Hill Project;

- Recently hosted a number of institutional analysts, as well as major shareholders and potential project financing institutions on site visits to the Company's project sites in Nova Scotia;

- Planned metallurgical testwork which will be completed at Beaver Dam to confirm the initial indications that Beaver Dam mill feed will meet expected recovery levels as it is run through the Touquoy plant. Additional testwork will also be undertaken on Cochrane Hill, which will have its own plant facility to produce concentrate, to further optimize the gravity / flotation process, provide design data for the plant and to confirm recoveries expected in the Touquoy leach plant.

- Commenced negotiations in respect of a Mutual Benefits Agreement with the Assembly of Mi'kmaq Chiefs in Nova Scotia, building on the current Memorandum of Understanding that was signed with them in May 2014.

- Progressed matters leading to the lease of Crown lands at the Touquoy Gold Project

OVERVIEW OF THE COMPANY'S HOLDINGS

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 Company's effective ownership interest in Touquoy is 63.5%. The Company will recover all operational, overhead, financing and sunk costs prior to any distributions to its privately-owned partner in Touquoy.

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.

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, ownership of all 63 private properties required for the development of the Touquoy Gold Project has now been secured. Final compensation in respect of 11 of these properties which were expropriated and for which compensation has been determined on the basis of independent valuations previously conducted, remain under review 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 received Cabinet approval to issue the lease and has prepared the requisite documentation, and the Company is in the process of finalizing the lease agreement.

Beaver Dam

Description and Ownership

The Beaver Dam Property is located in Halifax County, in central Nova Scotia, approximately 85km northeast of the provincial capital of Halifax (Figure 4.1). The property covers the historical Beaver Dam Gold District located on NTS sheet 11E02/A with central coordinates of 521319 E / 4990700 N (UTM NAD 83 Zone 20). The area is uninhabited with the closest residences situated 5 km away.

The property is held under a single Exploration License, EL50421, currently held by Annapolis Properties Corporation, a wholly owned subsidiary of Acadian. EL50421 is comprised of 76 contiguous claims which cover an area of approximately 1136 hectares.

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.

15 Mile Stream

Description and Ownership

The Fifteen Mile Stream property is located in eastern Halifax County, Nova Scotia, approximately 95 km northeast of Halifax. It comprises the historic Fifteen Mile Stream gold district.

Access to the area is provided by highway #374 which transects the province from Sheet Harbour in the south to Stellarton in the north.

The Fifteen Mile Stream Property is secured under an Exploration License (EL10406) comprising 31 claims, as well as a Special License (SL 11/90) comprising 8 claims. Both licenses cover a total of 607 hectares. The claims are currently held by 6179053 Inc., a wholly owned subsidiary of Acadian.

Exploration Properties

The Company's regional land package in Nova Scotia presently comprises approximately 450 km^2 of claims specifically selected to explore for disseminated gold mineralization. At this time such mineralization has been identified at five sites – West Caledonia, Caduesky Lake, Moses Lake, East Rawdon and Fifteen Mile Brook (refer to regional map for locations). During the quarter, a short program of shallow interface RC drilling was conducted at West Caledonia (14 holes for 162 m) and a program of two diamond drillholes for 200 m to follow up previous interface anomalies was undertaken at Caduesky. No significant assays were returned from these programs. Part of this drilling was funded by the Nova Scotia Mineral Incentive Program through the Nova Scotia Department of Natural Resources.

In addition two short programs of shallow interface drilling were conducted at Moose River West (about 3km west along strike from the Touquoy gold deposit) and at East Lake (about 2km west along strike from the Fifteen Mile Stream gold deposit). Results have not yet been received.

The Company's wholly owned subsidiary, Acadian, also holds existing royalty interests on the Goldenville (1% NSR), Dufferin (2% NSR) and Tangier (1% NSR) properties located in Nova Scotia. None of these royalty interests are currently in production and no royalty income is currently being generated.

Preliminary Economic Assessment

On September 29, 2014, the Company announced the results of its consolidated PEA, prepared by Moose Mountain Technical Services, which analyzes the following two potential open-pit production scenarios over a minimum 8 year mine life:

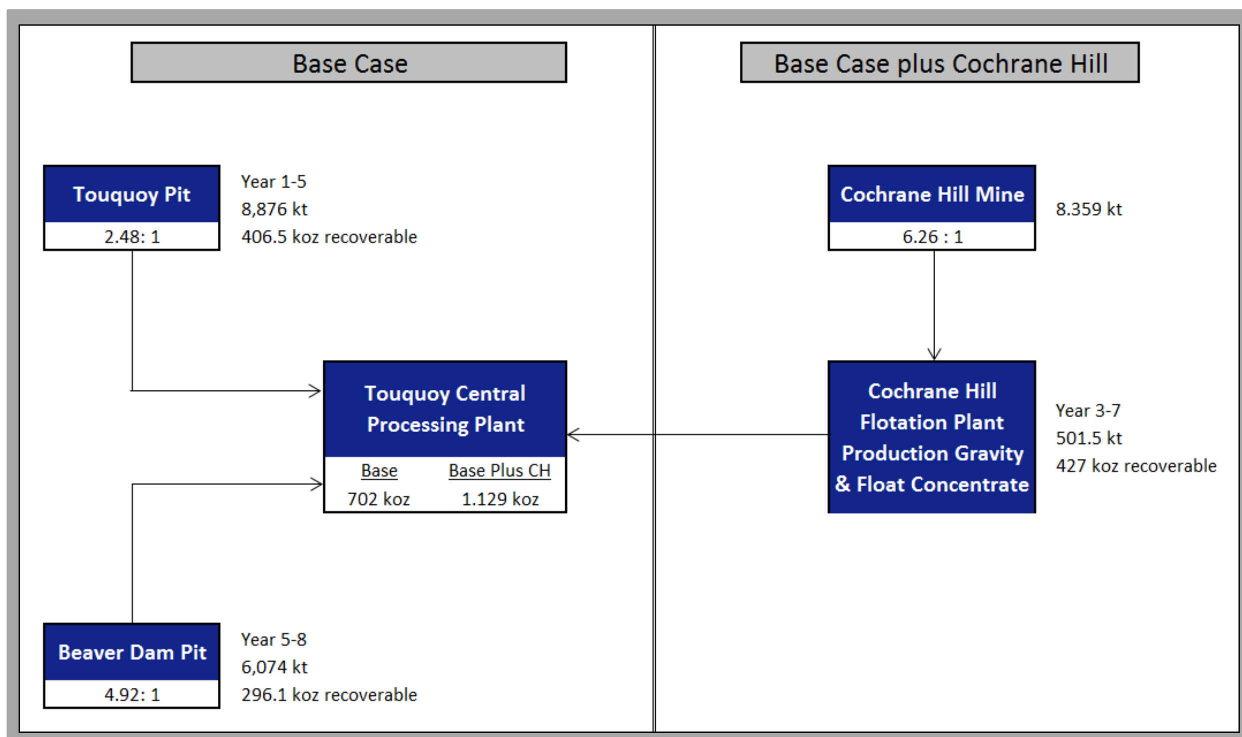
Base Case – assumes initial production from the Company's fully-permitted Touquoy Project, and the Beaver Dam Project, located approximately 37 km by road from Touquoy, for total life of mine production of 702,000 ounces of gold at an average grade of 1.55 g/t

Base Plus Cochrane Case - includes the addition of gravity and float concentrate production from the Company's Cochrane Hill Project in year 3 of production, processed into doré at the Touquoy facility for a total life of mine production of 1,129,000 ounces of gold at an average grade of 1.62 g/t

The "Base Case" involves mining at the Touquoy operation and in year five, once the Touquoy pit is exhausted, transitioning the mining operation 37 road kilometers to the Beaver Dam pit, which would operate as a satellite operation from the Touquoy base. The Beaver Dam pit would not have any processing or tailings facilities and would only have an open pit, a waste rock management facility and a crushing and loading plant to load highway trucks for the haul to Touquoy. The Beaver Dam material is essentially a supplement to the Touquoy mill feed rather than a distinct mining operation. Minimal temporary offices and a light maintenance facility would also be installed at Beaver Dam and tailings from the material milled at Touquoy from the Beaver Dam pit would be disposed of in the depleted Touquoy pit.

The "Base Plus Cochrane Case" adds production from the Cochrane Hill deposit commencing in year three of the project life. Cochrane Hill would be a largely independent mining operation with its own mining fleet, mill and processing facility with the associated tailings management facility. The processing plant at Cochrane Hill would not utilize cyanide but instead would produce a gravity and float concentrate which would be trucked to Touquoy for final cyanide treatment and gold recovery. Based on preliminary test work the metallurgical performance of Cochrane Hill material will be similar to Touquoy and Beaver Dam material with high recoveries through gravity separation. A concentrate is proposed to be produced to allow for final processing and cyanidation at Touquoy to simplify the permitting process. Cochrane Hill would be designed to mine and process about two million tonnes of ore per year which would be the same as Touquoy and Beaver Dam. The mill feed from Cochrane Hill would produce about 120,000 tonnes of concentrate, or about six percent of the total ore, which would be trucked to Touquoy for treatment there.

The chart below is a schematic of the potential operations, as analyzed in the PEA:



PEA Highlights

Canadian dollars unless otherwise indicated (assuming 1CND $ = $0.90 US$):

Gold price: US $1,300/oz	Base Case	Base Plus Cochrane Case
Pre-tax NPV (5%)	$233 million	$354 million
Post-tax NPV (5%)	$163 million	$242 million
Pre-tax IRR	39.6%	38.0%
Post-tax IRR	33.5%	31.5%
Post-tax Payback	1.7 years	3.3 years
Initial capital cost	$131 million	$131 million
Capital Cost Cochrane Hill (Yr 2)	N/A	$108 million
LOM cash operating cost	$576/oz	$612/oz
LOM all-in sustaining cost	$653/oz	$684/oz
Total LOM Au production	702,000 oz's	1,129,000 oz's
Average annual production	87,700 oz's	141,000 oz's
LOM strip ratio	3.44	4.45
Average grade	1.55 g/t	1.62 g/t

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the conclusions in the PEA will be realized or that any of the resources will ever be upgraded to reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. See "Mineral Resources" below.

The economics take into account the fact that the Company's effective ownership in Touquoy is 63.5%. As noted above, the Company will recover all operational, overhead, financing and sunk costs prior to any distributions to its privately-owned partner in Touquoy. As of June 30, 2014, the total estimated costs to be recovered under the agreement are approximately $17 million. The Company holds 100% of both Beaver Dam and Cochrane Hill.

The PEA takes into account a 1% royalty payable to the Nova Scotia government (no other mining taxes apply), in addition to the following NSR's:

- 1% relating to production from Touquoy and Cochrane Hill, post exercise of buyback options of $2.5 million to buyback 2% of a 3% royalty related Touquoy and $1.5 million to buyback 2% of a 3% royalty related to Cochrane Hill
- 0.6% relating to production from Beaver Dam

A sensitivity table for each case, based on various gold prices is set out below:

Base Case Sensitivities

	US $1,100	US $1,200	US $1,300	US $1,400	US $1,500
Pre-tax NPV (5%)	$140 m	$189 m	$233 m	$276 m	$320 m
Post-tax NPV (5%)	$98 m	$132 m	$163 m	$193 m	$223 m
Pre-tax IRR	28.3%	34.7%	39.6%	44.1%	48.4%
Post-tax IRR	24.0%	29.4%	33.5%	37.4%	41.0%
Post-tax Payback	2.1 years	1.8 years	1.7 years	1.5 years	1.4 years

Base Plus Cochrane Case Sensitivities

	US $1,100	US $1,200	US $1,300	US $1,400	US $1,500
Pre-tax NPV (5%)	$194 m	$276 m	$354 m	$431 m	$508 m
Post-tax NPV (5%)	$131 m	$188 m	$242 m	$296 m	$349 m
Pre-tax IRR	25.3%	32.3%	38.0%	43.3%	48.2%
Post-tax IRR	20.6%	26.5%	31.5%	36.0%	40.2%
Post-tax Payback	4.3 years	3.8 years	3.3 years	3.0 years	2.7 years

Mineral Resources

The table below is a summary of the mineral resources at the Touquoy, Beaver Dam and Cochrane Hill Projects as outlined in the PEA, as well as the historic resource relating to the Company's Fifteen Mile Stream Project.

	Tonnes (m)	Grade (g/t)	Gold (oz)
Touquoy – Current*			
Measured & Indicated	10.1	1.5	480,000
Inferred	1.6	1.5	77,000
Beaver Dam – Current*			
Measured & Indicated	5.8	1.5	287,000
Inferred	2.6	1.4	121,000
Cochrane Hill – Current*			
Measured & Indicated	4.5	1.8	252,000
Inferred	5.6	1.6	298,000
15 Mile Stream – Historic**			
Inferred	10.3	1.3	444,000
Total Measured & Indicated	**20.4**	**1.6**	**1,019,000*****
Total Inferred	**20.1**	**1.5**	**940,000**

**The Mineral Resources estimates relate to the Touquoy, Cochrane Hill and Beaver Dam deposits summarized in this report and are based on the following key parameters: (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 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.*

Touquoy - The Touquoy Mineral Resource estimates presented herein 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. The report is available for review on the Company's website and on SEDAR (www.sedar.com).

Cochrane Hill - 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. The report is available for review on the Company's website and on SEDAR (www.sedar.com).

Beaver Dam – The Beaver Dam Mineral Resources are current resource estimates that comply with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101 - Standards of Disclosure for Mineral Projects. A Qualified Person has done sufficient work to classify these resources estimates to current mineral resources prepared in accordance with NI 43-101.

*** These are historical resource estimates that do not comply with the current CIM Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101. A Qualified Person has not done sufficient work to upgrade or classify these historical resources estimates to current mineral resources prepared in accordance with NI 43-101. The Company is not treating the historical estimate as current mineral resources and the historical estimate should not be relied on. The Fifteen Mile Stream historic resources report is dated March 31, 2014 and is stated to be a JORC Code 2012 compliant document filed by LionGold Corp Ltd on the Singapore Stock Exchange in July of 2014 as an Annual Qualified Persons Report for the Fifteen Mile Steam Gold Project, Halifax, Nova Scotia. The report relies on drilling that was conducted largely in the period 1985-1988 from a database supplied to Snowden Mining Industry Consultants Limited ("Snowden") by Acadian. Snowden validated the data prior to estimation. The resource was estimated using CAE Datamine Studio software. Geostatistical analysis was*

undertaken using Supervisor software. The Snowden report Qualified Persons were Dr. Simon Dominy, FAusIMM(CP) and Richard Horne, PGeo. who prepared the historical resource estimate and approved the technical information as it relates to Fifteen Mile Stream.
**** Adjusted for Rounding*

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 September 30, 2014

The net loss for the three months ended September 30, 2014 was $113,605 compared to a net loss of $250,645 for the same period in 2013. The decrease in net loss was primarily attributable to a $74,804 decrease in management fees, salaries and benefits due to a non-recurring termination payment made to the Company's former Corporate Secretary and Controller during the three months ended September 30, 2013, and a $169,098 decrease in corporate development expense as a result of reclassification of corporate development costs regarding the acquisition of Atlantic NL to mineral properties on the condensed interim consolidated statement of financial position, partially offset by a $113,325 increase in professional fees reflecting additional accounting, tax, and legal support following the acquisitions of Acadian and Atlantic NL.

The Company also recorded interest income of $200,646 during the three months ended September 30, 2014 (2013: $109,614) relating to interest earned on various GIC investments by the Company as well as interest and financing fees earned on a loan issued during the year to a subsidiary of Atlantic NL prior to the acquisition of Atlantic NL.

Nine months ended September 30, 2014

The net loss for the nine months ended September 30, 2014 was $893,059 compared to a net loss of $935,842 for the same period in 2013. The decrease in net loss was primarily attributable to a $121,337 decrease in management fees, salaries and benefits due to a non-recurring termination payment made to the Company's former Corporate Secretary and Controller as well as the former CEO of the Company during the three months ended September 30, 2013, and a $101,453 decrease in corporate development expense mostly as a result of reclassification of corporate development costs regarding the acquisition of Atlantic NL to mineral properties on the condensed interim consolidated statement of financial position, partially offset by a $134,662 increase in professional fees reflecting additional accounting, tax, and legal support following the acquisitions of Acadian and Atlantic NL and a $57,988 increase in office expenditures reflecting additional office space inherited as a result of the Acadian and Atlantic NL transactions. This additional office space is currently in the process of being rationalized.

The Company also recorded interest income of $410,731 during the nine months ended September 30, 2014 (2013: $325,235) relating to interest earned on various GIC investments by the Company as well as interest and financing fees earned on a loan issued during the year to a subsidiary of Atlantic NL before the acquisition of Atlantic NL occurred.

Financial Position

Total assets increased from $29,157,630 at December 31, 2013 to $46,123,057 at September 30, 2014. The most significant assets at September 30, 2014 comprised cash and cash equivalents of $21,033,532 (December 31, 2013: $28,922,649), property plant and equipment of $3,971,261 (December 31, 2013:

$14,757) and mineral properties of $19,957,322 (December 31, 2013: $nil). The Company's net working capital position at September 30, 2014 was $20,870,049 (December 31, 2013: $29,071,093).

The decrease in cash during the nine months ended September 30, 2014 of $7,889,117 resulted from $1,295,019 incurred in operating activities relating to corporate development, potential acquisition review due diligence, and ongoing operational matters, as well as $6,900,928 paid in cash consideration and transaction costs with respect to the acquisitions of Atlantic NL and Acadian, and $31,945 incurred in respect of ongoing mineral property expenditures, partially offset by $6,544 in proceeds from asset disposals and $332,231 in interest income from GIC investments.

The increase in property plant and equipment and mineral properties are reflective of the asset balances from the acquisitions of Atlantic NL and Acadian.

Shareholders' equity comprises share capital of $68,072,249 (December 31, 2013: $53,258,507), contributed surplus of $12,490,540 (December 31, 2013: $10,227,578), and a deficit of $35,293,294 (December 31, 2013: $34,400,235) for a net amount of $45,269,495 (December 31, 2013: $29,085,850). The increase in shareholders' equity of $16,183,645 results from the issuance of common shares and share purchase warrants from the acquisition of Atlantic NL valued at $14,491,103, the common shares issued in respect of the Acadian acquisition valued at $2,396,666 and share-based compensation recognized under the graded amortization method from the vesting of stock options ($188,935), partially offset by the net loss in the nine months ended September 30, 2014 ($893,059).

Summary of Quarterly Results

		Q3 2014		Q2 2014		Q1 2014		Q4 2013
Total Revenue (Note 1)		N/A		N/A		N/A		N/A
Net loss for the period	$	(113,605)	$	(394,105)	$	(385,349)	$	(295,965)
Loss per share - basic and diluted	$	(0.00)	$	(0.01)	$	(0.01)	$	(0.00)

		Q3 2013		Q2 2013		Q1 2013		Q4 2012
Total Revenue (Note 1)		N/A		N/A		N/A		N/A
Net loss for the period	$	(250,645)	$	(287,618)	$	(397,578)	$	(311,617)
Loss per share - basic and diluted	$	(0.00)	$	(0.00)	$	(0.01)	$	(0.01)

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 Q1 2013 increased when compared to Q4 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 NL. The net loss decreased in Q3 2014 compared to Q2 2014 mostly as a result of reclassification of corporate development expenses and transfer agent and filing fees regarding the acquisition of Atlantic NL to mineral properties on the condensed interim consolidated statement of financial position.

LIQUIDITY and CAPITAL RESOURCES

As at September 30, 2014, the Company had a balance of $21,033,532 in cash deposits and short-term GICs with major Canadian financial institutions.

The Company has renewed its Vancouver office lease agreement for a five-year term expiring September 30, 2020 and shares office space and related costs with three related companies. The Company's subsidiaries also have office lease commitments in Nova Scotia and Australia. A summary of the Company's commitments in respect of the above mentioned leases is set out below:

2014	$	97,454
2015		291,508
2016		169,708
2017 and thereafter		359,633
	$	918,303

Exploration Tenement Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to incur expenditures of approximately $175,792 (2013: $Nil) in respect of claim renewal fees and minimum work requirements.

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

There are no subsequent events to report.

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 September 30, 2014**	Three months ended September 30, 2013	**Nine months ended September 30, 2014**	Nine months ended September 30, 2013
John Morgan - President and CEO	Wages, benefits, and share-based payments	$ 79,895	$ 75,049	**$ 231,042**	$ 229,885
Robert Atkinson	Directors' fees and share-based payments	8,474	6,150	**24,606**	21,633
Don Siemens	Directors' fees and share-based payments	8,474	9,488	**24,606**	24,971
David Black	Directors' fees and share-based payments	8,474	6,150	**24,606**	21,633
William Armstrong	Directors' fees and share-based payments	7,066	864	**17,978**	864
Robert Rennie	Directors' fees and share-based payments	-	5,403	**-**	66,468
Steven Dean	Share-based payments	20,684	5,649	**56,593**	27,728
Irfan Shariff	Share-based payments	11,922	2,249	**32,056**	10,547
		$ 144,989	$ 111,002	**$ 411,487**	$ 403,729

b) Payments for services by related parties

During the three and nine months ended September 30, 2014 and 2013, the Company incurred corporate consulting fees of $21,420 and $64,260 respectively to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by Steven Dean, a director and officer of the Company. As at September 30, 2014, the Company owed $19,354 to Sirocco (December 31, 2013: $4,452).

During the three and nine months ended September 30, 2014 and 2013, the Company incurred corporate consulting fees of $15,300 and $45,900 respectively to Shariff Advisory Services Ltd. ("Shariff"), a company controlled by Irfan Shariff, an officer of the Company. As at September 30, 2014, the Company owed $Nil to Shariff (December 31, 2013: $533).

During the three and nine months ended September 30, 2014, the Company incurred corporate consulting fees of $nil (2013: $14,167 and $72,115 respectively) to Keppoch Advisory Services Ltd. ("Keppoch"), a company controlled by Robert Rennie, a former director and officer of the Company. As at September 30, 2014, the Company owed $nil to Keppoch (December 31, 2013: $nil).

During the three and nine months ended September 30, 2014, the Company incurred geological consulting fees of $10,000 and $30,000 (2013: $15,000 and $45,000 respectively) to Metallica Consulting Co. ("Metallica"), a company controlled by William Armstrong, a director of the Company. As at September 30, 2014, the Company owed $5,250 to Metallica (December 31, 2013: $5,250).

During the three and nine months ended September 30, 2014, the Company incurred consulting fees of $25,300 (2013: $Nil) to Wally Bucknell, a director of the Company. As at September 30, 2014, the Company owed $25,300 to Mr. Bucknell (December 31, 2013: $Nil).

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 being Irfan Shariff and Steven Dean. During the three and nine months ended September 30, 2014, office lease and

administrative expenditures billed to Oceanic amounted to $37,002 and $108,769 respectively (2013: $34,648 and $102,246). As at September 30, 2014, the Company was owed $38,852 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 being Irfan Shariff and Steven Dean. During the three and nine months ended September 30, 2014, office lease and administrative expenditures billed to Cassius amounted to $2,272 and $6,809 respectively (2013: $4,395 and $13,256 respectively). As at September 30, 2014, the Company was owed $30,600 from Cassius (December 31, 2013: $27,370).

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 and the fair value calculations of consideration with regards to the acquisition of Atlantic NL and Acadian noted above.

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

Please refer to Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2013 as well as note 3 of the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 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).

The Company adopted the following accounting policies as a result of the acquisition of Atlantic NL and Acadian. The Company cannot estimate the expected effect these policies will have on the Company's financial statements.

Property, Plant and Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Land is not depreciated. Depreciation is calculated at the following annual rates:

Plant and equipment	straight-line 20% - 50%
Leasehold improvements	straight-line - 20%

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. Depreciation of equipment is charged to the consolidated statement of loss and comprehensive loss.

Mineral Properties

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition costs are capitalized and deferred until such time as the property is put into production or the property is disposed of, either through sale or abandonment, or becomes impaired. If a property is put into production, the cost of acquisition will be written off over the life of the property based on estimated economic reserves, with the exception of the advance royalty payable which will be amortized as advance royalty payments are made. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property. If a property is abandoned, the acquisition costs will be written off to operations. Recorded costs of mineral properties are not intended to reflect present or future values of the properties. The recorded costs may be subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amounts. Although the Company has taken steps that it considers adequate to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title.

Once the rights to explore an area have been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation and classified as a component of mineral properties. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Once the technical feasibility and commercial viability of extracting a mineral resource for a particular property are demonstrable, the related exploration expenditures are reclassified into property, plant and equipment.

Impairment of Mineral Properties

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is calculated as the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities, the impact of government legislation and political stability in the region, and the impact of current and expected future gold prices on potential reserves.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Asset Retirement Obligations

Asset retirement obligations will be recognized for estimated obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A liability for an asset retirement obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with the corresponding asset retirement cost recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. The Company had no asset retirement obligations at September 30, 2014 and 2013.

Translation of Foreign Currencies

Functional and presentation currency: Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company, along with its wholly owned subsidiaries.

Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recorded in the consolidated statements of loss and comprehensive 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 113,559,001 common shares issued and outstanding.

As at the date of this report, there were 7,373,700 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 September 30, 2014 and December 31, 2013 are summarized as follows:

	September 30, 2014		December 31, 2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Loans and receivables				
Cash and cash equivalents	$21,033,532	$ 21,033,532	$28,922,649	$ 28,922,649
Receivables	481,080	481,080	113,545	113,545
Due from related parties	69,453	69,453	63,046	63,046
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$ 803,658	$ 803,658	$ 61,545	$ 61,545
Due to related parties	49,904	49,904	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 September 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 $209,571 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

The Company's management is responsible for designing and maintaining adequate internal controls over financial reporting and disclosure controls and procedures, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS.

No matter how well designed any system of internal control has inherent limitations. Even systems determined to be effective can provide only reasonable assurance of the reliability of financial statement preparation and presentation.

Changes in internal controls over financial reporting
There have been no changes in ICFR during the three and nine months ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, ICFR.