RED EAGLE MINING CORPORATION

Management's Discussion and Analysis

For the year ended December 31, 2013

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Red Eagle Mining Corporation and its subsidiaries ("Red Eagle" or the "Company") during the year ended December 31, 2013 and to the date of this report. The MD&A supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2013. Consequently, the following discussion of performance and financial condition should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 and the notes thereto. All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated. The Company has prepared its financial statements in accordance with IFRS as issued by the IASB since inception on January 4, 2010.

Additional information related to Red Eagle is available on SEDAR at **www.sedar.com** and on the Company's website at **www.redeaglemining.com**.

This MD&A contains information up to and including April 14, 2014.

FORWARD-LOOKING INFORMATION

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to pages 26 and 27 of this MD&A.

CORPORATE OVERVIEW

The Company was incorporated under the *Business Corporations Act (British Columbia)* on January 4, 2010. The Company completed its initial public offering ("IPO") on June 24, 2011 and commenced trading its common shares under the symbol "RD" and its share purchase warrants under the symbol "RD.WT" on the TSX Venture Exchange ("Exchange") as a Tier 2 Mining Company on June 28, 2011. The Company is also listed on the OTCQX under the symbol "RDEMF". The Company is engaged in exploration and development of mineral properties located in Colombia.

QUALIFIED PERSONS

The scientific and technical information contained in this MD&A has been reviewed and approved by Jeff Toohey P.Eng., Vice President Exploration, who is a "Qualified Person" as defined under National Instrument 43-101.

MINERAL PROPERTIES

The Company has two significant mineral properties, Santa Rosa and Pavo Real, both of which are located in Colombia. All direct costs relating to the acquisition of mineral property interests are capitalized into intangible assets on a property by property basis. All mineral property exploration expenditures are expensed as incurred. A breakdown of expenditures on these two properties is provided below in the section "Mineral Properties". Further information on the mineral properties can be found in the consolidated financial statements for the year ended December 31, 2013.

Santa Rosa Project

On April 15, 2011 the Company acquired 100% of the Santa Rosa Gold Project in Antioquia, Colombia, for US$9,600,000. On August 6, 2013 the Company signed an agreement (the August 6, 2013 Amendment) with the vendors deferring the remaining US$700,000 until November 2014. The Company also agreed to acquire certain adjacent concession contracts for US$780,000, of which US$40,000 has been paid and US$740,000 is due upon title transfer. As at December 31, 2013 the outstanding balance relating to these purchases was US$1,440,000 ($1,539,980).

On October 22, 2012, concurrent with a private placement financing, the Company completed the sale of a 2% NSR royalty over the Santa Rosa property to Liberty Metals and Mining Holdings LLC for gross proceeds of $8,333,333. The Company had the option to sell an additional 1% royalty for $4,166,667 at any time until December 31, 2013 and on December 20, 2013, the Company exercised this option. These transactions were recorded as a credit to the mineral property reducing the value of the property to nil and the excess was reflected as a gain of $1,415,704 in the statement of comprehensive loss. The Company has the option to repurchase a 1% royalty for $8,333,333 at any time during the first two years of gold production.

On October 24, 2012 the Company executed an agreement with Bullet Holdings Corp. to acquire additional mineral concession contracts totaling 35,910 hectares adjacent to the Company's Santa Rosa project. The consideration for the transaction was the issuance of 905,000 common shares, reimbursement of current year concession fees and the granting of a 1.5% NSR royalty over the properties acquired. Liberty's 3% royalty does not cover these new properties.

The Company has dropped concession contract and two applications, reducing this recently acquired area from 35,910 hectares to 30,097 hectares.

On July 2, 2013 the Company successfully applied for an additional 1,809 hectares adjacent to the northwest of the existing holdings along the mineralised trend.

MINERAL PROPERTIES (continued)

Pavo Real Project

The Company, through its 70% owned subsidiary Rovira Mining Limited, is earning in to an option agreement on the Pavo Real Project in Tolima, Colombia with Miranda Gold Corp. (TSX-V: MAD). The terms of the option agreement require paying certain cash amounts, issuing common shares and incurring certain minimum levels of exploration expenditure. The Company has made all required scheduled payments and share issuances to date. The details of the option agreement can be found in the consolidated financial statements for the year ended December 31, 2013.

On July 2, 2013 the Company successfully applied for an additional 8,800 hectares within the Pavo Real Project.

Following is the breakdown of mineral property expenditures incurred during the year ended December 31, 2013:

For the year ended December 31 , 2013

	Santa Rosa	Pavo Real	Total
Mineral property exploration costs:			
Assays and sampling	$ 288,428	$ 7,152	**$ 295,580**
Concession fees	16,115	37,174	**53,289**
Depreciation	116,307	32,437	**148,744**
Drilling	2,326,940	-	**2,326,940**
Field and camp expenses	1,082,769	55,614	**1,138,383**
Geological and geochemical	28,988	-	**28,988**
Hydrology	110,488	-	**110,488**
Legal, office and administration	464,757	88,944	**553,701**
Licences and permits	97,056	-	**97,056**
Metallurgical testwork	328,912	-	**328,912**
Salaries and consulting fees	2,679,864	38,859	**2,718,723**
Technical studies	1,071,136	-	**1,071,136**
Travel and transportation	373,532	346	**373,878**
Total exploration costs for the year ended December 31, 2013	**$ 8,985,292**	**$ 260,526**	**$ 9,245,818**
Cumulative expenditures as at January 1, 2013	12,869,234	4,656,913	**17,526,147**
Cumulative exploration costs as at December 31, 2013	**$ 21,854,526**	**$ 4,917,439**	**$ 26,771,965**

For the year ended December 31 , 2012

	Santa Rosa	Pavo Real	Total
Mineral property exploration costs:			
Assays and sampling	$ 672,471	$ 93,010	**$ 765,481**
Concession fees	15,658	37,639	**53,297**
Depreciation	142,740	43,513	**186,253**
Drilling	3,668,317	550,961	**4,219,278**
Field and camp expenses	1,005,846	177,498	**1,183,344**
Legal, office and administration	343,101	216,636	**559,737**
Geophysics	91,379	14,952	**106,331**
Metallurgical testwork	15,090	-	**15,090**
Salaries and consulting fees	1,603,260	674,131	**2,277,391**
Technical studies	94,011	-	**94,011**
Travel	287,273	94,762	**382,035**
Total exploration costs for the year ended December 31, 2012	**$ 7,939,146**	**$ 1,903,102**	**$ 9,842,248**

MINERAL PROPERTIES (continued)

Exploration during 2013 was primarily focussed on the Santa Rosa gold project. Work to date has entailed:

- Detailed structural and geological mapping of hundreds of near surface underground adits within the oxidized saprolite and over a hundred historic open cut hydraulic workings;
- Surface geological mapping;
- Trench sampling;
- Collection and analysis of over 2,800 adit channel samples in the oxides;
- Helicopter-borne magnetic and radiometric surveys;
- Detailed Mobile Metal Ion (MMI) geochemical sampling programme on a 200m by 50m grid;
- Core drilling (totaling 45,000 metres in 233 holes);
- Detailed metallurgical studies;
- Environmental baseline studies;
- Resource Estimate;
- Preliminary Economic Assessment; and
- Environmental Impact Assessment.

Surface exploration programmes to date at Santa Rosa have identified a number of intrusive related gold targets that have never been drilled. In these targets, potassic alteration from the radiometric survey, anomalous gold results from the MMI programme and historic workings are coincident. The Company has initially focussed on advancing the San Ramon deposit where a significant gold system has been defined in the south-east sector of Santa Rosa. Mineralized quartz veins and veinlet stockworks at San Ramon occur primarily within a strong shear zone structure striking approximately east-west. The San Ramon shear zone is related to regional-scale northwest-southeast striking fault systems. Sinistral movement along these structures created the dilational east-west shear zone, which is up to 50 meters wide, dips 70° to the north, has been defined over at least 2,000 metres of strike length and is exposed at surface. In addition, mineralised quartz veins are common within the hanging wall of the shear zone. The 45,000 metres of core drilling conducted to date tested the San Ramon deposit on 50 to 100 metre centres to a vertical depth of over 500 metres.

The October 2013 Preliminary Economic Assessment ("PEA") of the San Ramon gold deposit outlines a 1,000 tonne per day operation producing an average annual production of 51,000 ounces of gold over a 10 year mine life. Cash costs are $540/ounce or $76/tonne. The average fully diluted processed grade over the first 5 years of mine life is 5.38 grams gold per tonne. Processing will be whole ore carbon-in-leach with 93% recoveries. Capex is estimated at $73 million plus an $11 million contingency and $7 million of recoverable VAT.

Assuming a long-term forecast gold price of $1,300 per ounce, pre-tax Net Present Value (5%) is $152 million (post tax $113 million), Internal Rate of Return is 47% (post tax 37%) and payback is 1.4 years (post tax 1.7 years).

The PEA is considered 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 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

MINERAL PROPERTIES (continued)

Exploration was also conducted at Pavo Real during 2013. To date the work programme has included stream sediment sampling, detailed geological mapping and rock chip and trench sampling. New areas of mineralisation were discovered during 2013.

OUTLOOK

The work program for Santa Rosa for 2014 includes:

- Definitive Feasibility Study;
- Completion of the permitting process; and
- Regional exploration and drill target identification.

The work program for Pavo Real for 2014 includes:

- Continued detailed mapping and trenching of the identified mineralised zones;
- Expansion of the geochemical sampling programme beyond areas previously covered; and
- Drill target identification.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013 COMPARED TO YEAR ENDED DECEMBER 31, 2012

The Company recorded a loss of $9,783,583 for the year ended December 31, 2013 which is a decrease of $2,414,441 compared to the loss of $12,198,024 for the year ended December 31, 2012.

Following is an analysis of the significant movements in balances between the year ended December 31, 2013 and December 31, 2012:

	For the year ended December 31, 2013	For the year ended December 31, 2012	
Mineral property exploration costs	$ 9,245,818	$ 9,842,248	Refer to breakdown of exploration costs in mineral property section. Total exploration costs decreased overall due to a $1.6m reduction in Pavo Real exploration which was offset by an increase in expenditure of $1m at Santa Rosa as the Company focused on San Ramon development
Office and administration	649,424	920,654	Decrease due to no share option issuance in 2013
Salaries and benefits	472,881	815,725	Decrease due to no share option issuance in 2013 and a reduction in head count
Investor relations and promotion	545,583	502,694	Increase due to increased profile
Professional fees	208,010	114,612	Increase due to preliminary legal work on project financing, graduation to Tier 1 of TSXV and increased audit fees
Filing fees	63,177	56,290	Increase due to Tier 1 TSXV graduation
Foreign exchange (gain) loss	337,678	(9,795)	Increased loss due to US denominated mineral property obligation being translated at period end rate
Gain on sale of NSR Royalty	(1,415,704)	-	The sale of the $4.17m 1% royalty in December 2013 reduced the recorded value of the mineral property to Nil with the excess taken as a gain in the statement of comprehensive loss
Deferred tax recovery	(217,000)	-	Income tax recovery on expiry of warrants

RESULTS OF OPERATIONS (continued)

THREE MONTHS ENDED DECEMBER 31, 2013 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 2012

The Company recorded a loss of $829,228 for the three months ended December 31, 2013 which is a decrease of $2,969,824 compared to the loss of $3,799,052 for the three months ended December 31, 2012.

Following is an analysis of the significant movements in balances between the three month periods ended December 31, 2013 and December 31, 2012:

	For the three months ended December 31, 2013	For the three months ended December 31, 2012	
Mineral property exploration costs	$ 1,664,068	$ 2,789,264	Refer to breakdown of exploration costs in mineral property section. Decrease due to no ongoing drill programme in Q4 2013
Salaries and benefits	111,841	389,479	Decrease due to no share option issuance in Q4 2013
Professional fees	61,041	38,721	Increase due to audit fees
Investor relations and promotion	100,902	162,148	In 2012 the Company had an increased profile as a result of 2012 financing. In 2013 these costs were reduced in advance of anticipated Q1 2014 financing
Foreign exchange (gain) loss	128,698	13,734	Gain due to US denominated mineral property obligation being translated at period end rate
Gain on sale of NSR Royalty	(1,415,704)	-	The sale of the $4.17m 1% royalty in December 2013 reduced the recorded value of the mineral property to Nil with the excess taken as a gain in the statement of comprehensive loss

SELECT ANNUAL INFORMATION

The following table provides select annual information for the three years

	December 31, 2013	December 31, 2012	December 31, 2011
Interest and miscellaneous income	$ (127,128)	$ (74,217)	$ (67,264)
Net loss	9,783,583	12,198,024	10,081,715
Basic and diluted loss per share	0.17	0.29	0.31
Total assets	5,578,368	20,385,464	14,055,651

The Company does not have any non-current liabilities and there have been no distributions or cash dividends declared.

The Company does not have any revenues and the only source of income is from interest earned from the short term investments and cash equivalents. Interest and miscellaneous income increased in 2013 compared to 2012 and 2011 due to higher average cash balances on hand, as a result of the October 2012 financing.

Net loss decreased compared to 2012 due to the sale of the 1% royalty for $4.17m, the accounting for which reduced the Santa Rosa mineral property asset balance to nil with the balance of $1.4m being recorded as a gain in the statement of comprehensive loss. Activity decreased slightly in 2013 compared to 2012 and 2011 due to the reduced drill programmes and an increased focus on advancing the San Ramon deposit at Santa Rosa. The quarterly results table in the section following illustrates the spending per quarter with the greater spending being during the drill programmes.

The decrease in loss per share is primarily due to the weighted average outstanding shares in 2013 being significantly greater than in 2011 and 2012 due to the October 2012 financing.

The Company's accounting policy is to expense exploration costs as incurred. As a consequence the Company's most significant assets on the statement of financial position are cash and cash equivalents and the capitalized acquisition costs of the mineral properties. The decrease in total assets is due to a decrease in cash and cash equivalents of $11.7m (refer to the statement of cash flows in the consolidated financial statements for the year ended December 31, 2013 for further details) and the sale of the royalty of $4.1m which was applied to the mineral property balance and reduced it by $2.7m

SUMMARY OF QUARTERLY RESULTS

Following is a summary of quarterly results since January 1, 2012. These results are taken from the interim and annual financial statements of Red Eagle Mining Corporation, which are prepared in accordance with IFRS as issued by the IASB. The results are presented in Canadian dollars, which is the functional currency of the parent company. The Colombian branches have a functional currency of the Colombian peso.

	For the three months ended March 31, 2013	For the three months ended June 30, 2013	For the three months ended September 30, 2013	For the three months ended December 31, 2013
Interest income	$ 31,662	$ 20,365	$ 63,737	$ 11,364
Net loss	3,995,335	2,916,388	2,042,632	829,228
Basic and diluted loss per share	0.07	0.05	0.03	0.01

	For the three months ended March 31, 2012	For the three months ended June 30, 2012	For the three months ended September 30, 2012	For the three months ended December 31, 2012
Interest income	$ 19,776	$ 12,442	$ 16,872	$ 25,127
Net loss	3,500,171	2,819,194	2,079,607	3,799,052
Basic and diluted loss per share	0.09	0.07	0.06	0.09

The analysis provided in the "results of operations" section above provides information regarding the movements during the years ended December 31, 2013 and December 31, 2012. Due to the nature of operations and the climate at the Company's locations in Colombia (little fluctuation in temperatures and precipitation throughout the year) there is no significant seasonality in the business. The Company was incorporated on January 4, 2010 and has grown in its level of operations since that date. The loss per quarter is most impacted by the nature of the drilling programme underway at the time, and whether or not there is a significant share based payment expense due to the granting of share purchase options. Excluding the options grants, the general trend is for the loss to increase in each quarter through to early 2012, and from mid-2012 through to present there is a decrease in expenditures as the drilling programmes were further refined, rationalized and focused on the Santa Rosa project. The net loss in the final quarter is significantly reduced due the gain on sale of the 1% NSR in December 2013.

LIQUIDITY

As at	December 31, 2013	December 31, 2012	December 31, 2011
Working capital	$ 2,351,521	$ 9,523,558	$ 9,138,634
Total assets	5,578,368	20,385,464	14,055,651
Total liabilities	(2,137,930)	(7,035,647)	(930,037)
Share capital	32,665,403	32,643,403	20,829,110
Deficit	(33,908,704)	(24,172,555)	(10,871,529)

As at December 31, 2013, the Company had working capital of $2,351,521 (December 31, 2012: $9,523,558), including cash and cash equivalents of $4,118,484 (December 31, 2012: $15,893,971). Included in current liabilities is a $1,539,980 (US $ 1,440,000) mineral property obligation of which US $700,000 is due in November 2014. The remaining $740,000 is payable upon title transfer of certain concessions.

The Company targets to obtain financing in the future primarily through further equity financings but also potentially through debt financing, should a positive construction/production decision be made upon the completion of the definitive feasibility study. At present, Red Eagle has no operations that generate cash flow and its financial success is dependent on management's ability to discover and develop economically viable mineral deposits, raise required funding through future equity issuances, asset sales or a combination thereof. The mineral exploration process can take many years and is subject to many factors that are beyond the Company's control.

The Company relies on equity financings and the exercise of options and warrants to fund its exploration activities and its corporate and overhead expenses. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management and personnel. Actual funding requirements may vary from those planned due to a number of factors, including the progress and results of exploration activities.

The Company's operations to date have been financed by issuing common shares and the sale of a 3% NSR over the Santa Rosa property. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable. To date, the Company has not used, nor does it currently have future plans to use, debt or other similar debt structures of financing to fund its exploration programs.

Based on the cash position on hand as at the date of this MD&A, including the April 2014 equity financing of $5m, management believes the Company is sufficiently capitalized to fund the ongoing operational needs for the balance of 2014.

OUTSTANDING SHARE DATA

Common shares

As at December 31, 2013 the Company had 58,667,818 issued and outstanding common shares (December 31, 2012: 58,567,818).

On June 24, 2013 100,000, common shares were issued and paid in accordance with the Pavo Real option agreement.

On April 9, 2014 the Company issued 12,121,212 common shares at $0.33 per share for gross proceeds of $4,000,000 as part of a brokered bought deal offering. Concurrently the Company's largest shareholder, Liberty Metals and Mining Holdings LLC, exercised its participation rights in order to maintain its pro rata 19.9% interest in the Company. As a result the Company issued 3,011,387 common shares at $0.33 per share and 7,453 at $0.42 per share and 24,844 at $0.28 per share for gross proceeds of $1,003,844.

As at the date of this MD&A the Company had 73,832,714 common shares outstanding.

Warrants

On June 28, 2013, 6,581,883 share purchase warrants expired unexercised. The expiry of these warrants created a capital gain and the Company recorded a $217,000 tax charge in equity which has been offset by a deferred tax recovery.

The Company had the following warrants outstanding as at December 31, 2013 and as of the date of this MD&A:

Expiry Date	Warrants Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)
February 12, 2015	4,500,000	$	0.25	1.12
	4,500,000	**$**	**0.25**	**1.12**

Options

The Company had the following share purchase options outstanding and exercisable as at December 31, 2013.

Expiry Date	Options Outstanding	Options Exercisable		Exercise Price	Weighted Average Remaining Contractual Life (in Years)
June 28, 2016	2,550,000	2,550,000	$	1.25	2.49
July 28, 2016	200,000	200,000		1.25	2.58
December 6, 2016	160,000	160,000		1.00	2.93
December 6, 2017	2,305,000	1,985,000		0.55	3.93
	5,215,000	**4,895,000**	**$**	**0.93**	**3.15**

On April 9, 2014 the Company granted 2,180,000 share purchase options vesting over a period of up to 18 months exercisable at a price of $0.33 and expiring in 5 years to directors, employees and consultants of the Company. As a result there are 7,395,000 options outstanding and 6,546,250 exercisable as at the date of this MD&A.

TRANSACTIONS WITH RELATED PARTIES

Name	Country of incorporation	Principal activities	% of ordinary shares held & voting rights
Red Eagle Mining de Colombia Limited	Canada	Exploration company	100%
Rovira Mining Limited	Canada	Exploration company	70%

The aggregate value of key management compensation is as follows:

		Year ended December 31, 2013		Year ended December 31, 2012
Short-term employee benefits	**$**	**422,600**	$	684,213
Share option based payments		**56,806**		225,072
	$	**479,406**	$	909,285

The following table provides the total amount of transactions which have been entered into by the Company with related parties during the years ended December 31, 2013 and 2012 and the balances with related parties at December 31, 2013 and 2012:

			Purchases from		**Amounts due to**
Rent, salary and related costs recharged from SB Management Ltd.,	2013	$	650,000	$	-
a company controlled by Ian Slater, Robert Bell and Tim Petterson	2012	$	705,636	$	-
Legal fees to Anfield Sujir Kennedy & Durno LLP, a partnership in	2013	$	48,670	$	22,718
which Jay Sujir, a director of the Company, is a partner;	2012	$	136,365	$	23,000

Ian Slater and Ken Cunningham are directors common to both the Company and Miranda Gold Corp., which entered into share purchase and shareholder agreements on the Pavo Real Project as described in Note 7 to the consolidated financial statements for the year ended December 31, 2013.

The sale of the 1% royalty to Liberty in December 2013 (note 7) was a transaction between the Company and a 19.9% shareholder and so is considered to be a related party transaction.

Related party transactions are measured at the amounts agreed upon by the parties.

CHANGES IN ACCOUNTING POLICIES

The following accounting standards were adopted effective January 1, 2013.

IFRS 10 Consolidated Financial Statements

The standard replaces IAS 27, consolidated and separate financials statements, and requires all controlled entities to be consolidated based on a single control model, where by control is defined as the exposure to, or having rights to, returns from its involvement with its investee, and the ability to affect those returns through its power over the investee. The standard was adopted effective January 1, 2013 and it had no impact on the Company's consolidation of subsidiaries and other investments for the years ended December 31, 2013 and 2012. Note 2 reflects the new requirements of IFRS 10.

IFRS 11 Joint Arrangements

IFRS 11 requires joint arrangements to be classified as either joint operations or joint ventures. The structure of the joint arrangement would no longer be the most significant factor in classifying the arrangement as a joint operation or a joint venture. The option to account for joint ventures using proportionate consolidation has been removed, and instead equity accounting will be a requirement. The standard was adopted effective January 1, 2013 and it had no impact on the Company's consolidated financial statements for the years ended December 31, 2013 and 2012.

IFRS 12 Disclosure Of Interests In Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for such investments but have no impact on the Company's financial position or performance. The standard was adopted effective January 1, 2013 and it had no impact on the Company's consolidated financial statements for the years ended December 31, 2013 and 2012, other than the disclosures that are provided in notes 2 and 10.

IFRS 13 Fair Value Measurements

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Company re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures such as including fair value hierarchy, as detailed in Note 15. The standard was adopted effective January 1, and it had no material impact on the Company's consolidated financial statements for the years ended December 31, 2013 and 2012.

IAS 28 Investments In Associates And Joint Ventures

As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and provides the accounting and disclosure guidance for investments in associates and joint ventures. The standard was adopted effective January 1, 2013 and it had no impact on the Company's consolidated financial statements for the years ended December 31, 2013 and 2012.

FINANCIAL INSTRUMENTS

Please refer to note 16 of the Company's consolidated financial statements for the year ended December 31, 2013 for disclosure regarding the Company's financial instruments. There has been no change in designation of financial instruments or nature of risks in the year ended December 31, 2013. The Company's financial instruments consist of cash and cash equivalents, other financial assets, amounts receivable and accounts payable. The Company does not hold any complex financial instruments or derivatives. The cash is held to fund ongoing exploration work and head office costs and the cash equivalents are held to earn interest until they are needed to fund exploration work and head office costs. The short term investment recorded as other financial assets is a 12 month (maturing February 18, 2014) 1% Guaranteed Investment Certificate placed on deposit at a major Canadian bank which is held as collateral for the Company's credit cards. Amounts receivable and accounts payable relate to regular working capital requirements.

Credit risk

The Company is exposed to credit risk with respect to its cash, cash equivalents and other financial assets. Other financial assets are short term investments that have been placed on deposit with major Canadian financial institutions. All cash and cash equivalents are on deposit with major Canadian or Colombian financial institutions. The short term investment recorded as other financial assets is a GIC with a 12 month maturity that has been placed on deposit with a major Canadian institution.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment-grade securities held at major Canadian financial institutions.

Concentration of credit risk with respect to the Company's cash, cash equivalents and short term investments is mitigated since the amounts are held at several major Canadian financial institutions. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	December 31, 2013	December 31, 2012
Held at major Canadian financial institutions:		
Cash and cash equivalents	**$ 4,023,426**	$ 15,627,796
Short-term investments	**160,000**	-
	$ 4,183,426	$ 15,627,796
Held at major Colombian financial institutions:		
Cash and cash equivalents	**95,058**	266,175
Total cash and short-term investments	**$ 4,278,484**	$ 15,893,971

The credit risk associated with cash, cash equivalents and short term investments is minimized by ensuring the majority of these Canadian financial assets are held with major Canadian financial institutions with strong investment-grade ratings by a primary rating agency. The amounts held in Colombia are with a major Colombian financial institution.

Interest rate risk

The Group has cash balances, investment-grade short-term deposit certificates issued by its banking institution and no interest-bearing debt. Interest income is not material to the Group. The Group is not exposed to significant interest rate risk.

FINANCIAL INSTRUMENTS (continued)

Foreign currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. Certain of the Company's cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are held in Colombian Peso ("COP"); therefore, COP amounts are subject to fluctuation against the Canadian dollar (CAD). The Company had the following balances in foreign currency as at December 31, 2013:

		USD		COP		CAD Equivalent
Cash	$	-	$	171,232,084	$	95,058
Amounts receivable		-		32,016,580		17,774
Accounts payable and accrued liabilities		-		(440,285,397)		(244,420)
Mineral property obligation		(1,440,000)		-		(1,539,980)
	$	**(1,440,000)**	**$**	**(237,036,733)**	**$**	**(1,671,568)**

Assuming that all other variables remain constant, a 10% appreciation or depreciation of the COP against the CAD would have a negligible impact on net loss since translation of the COP functional currency to the presentation currency results in translation differences being recorded within other comprehensive income.

The Company's mineral property obligation is denominated in US dollars. Consequently the Company is exposed to the foreign exchange risk relating to this balance. The balance as at December 31, 2012 was $6,240,000 ($6,198,750). During the 2013 year, US$4,800,000 was settled with a balance of US$1,440,000 ($1,539,980) as at December 31, 2013. As a result of the movement in exchange rates the Company has recorded a loss of $404,852.

The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically the US dollar. The Company manages this risk by matching receipts and payments in the same currency and monitoring.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to significant other price risk.

Liquidity risk

The Company maintained sufficient cash and cash equivalents at December 31, 2013 in the amount of $4,118,484 (2012: Cash and cash equivalents $15,893,971) in order to meet short-term business requirements. At December 31, 2013, the Company had accounts payable of $597,950 (2012: $836,897), which are scheduled to be paid within three months and a mineral property obligation of $1,539,980 (2012: $6,198,750) of which US $700,000 is due in November 2014 and the remaining US $740,000 is payable upon title transfer of certain concessions.

CAPITAL COMMITMENTS AND OFF BALANCE SHEET ARRANGEMENTS

The Company's capital commitments mostly relate to the mineral property purchase agreements and option agreements. See table below and Note 12 to the consolidated financial statements for capital commitments as at December 31, 2013. The Santa Rosa property payments are a contractual obligation and the obligation has been capitalized and recorded as a current liability. The total obligation in Canadian dollars as at December 31, 2013 is $1,539,980 (US$1.44m) of which $748,601 (US$0.7m) is due in November 2014 and $791,379 (US$0.74m) upon title transfer of certain concessions, recorded as due on demand but not expected to be paid within the following 12 months. The Pavo Real commitment is an option (see note 7 to the consolidated financial statements) and has not been capitalized or recorded as a liability.

In addition there are also operating leases relating to the Colombian offices, camps and rental equipment. There are no other capital commitments, nor are there any off balance sheet arrangements.

The following table shows the obligations as at the date of this MD&A (in Canadian dollars):

	Payments Due by Period				
Commitments	***Total***	***Less than 1 year***	***1 – 3 years***	***4 – 5 years***	***After 5 years***
Santa Rosa obligation	$1,539,980	$748,601	$791,379	$-	$-
Operating lease commitments	$185,278	$185,278	$-	$-	$-
Total Commitments	$1,728,258	$933,879	$791,379	$-	$-

RISKS AND UNCERTAINITES

Exploration, Development and Operations

Exploration and development of mineral deposits involves a high degree of risk which even a combination of careful evaluation, experience and knowledge does not eliminate. Few properties which are explored are ultimately developed into producing properties. Any potential determination as to whether a mineral deposit will be commercially viable can be affected by such factors as: deposit size, grade, unusual or unexpected geological formations and metallurgy; proximity to infrastructure; metal prices which are highly cyclical; environmental factors; unforeseen technical difficulties; work interruptions; and government regulations, including regulations relating to permitting, 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.

The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of gold and copper, 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, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although appropriate precautions to mitigate these risks are taken, operations are subject to hazards such as equipment failure or failure of structures which may result in environmental pollution and consequent liability. Even though the Company intends to obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Risks with Title to Mineral Properties

The Company's interest in the Santa Rosa Gold Project is subject to the Santa Rosa Purchase Agreement pursuant to which the Company must make two final cash payments of US$700,000 on or before November 30, 2014 and US$740,000 upon title transfer of certain concessions in order to retain its interest in the property. If the Company fails to make these payments, it may lose its interest in the property. Any failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title, nor does the Company carry title insurance. The Company is continuously in the process of establishing the certainty of the title of mineral concessions which it holds either directly or through its equity interest in its subsidiaries or will be seeking to consolidate those titles through a government-sanctioned process. The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties.

The Company Has No Mineral Properties in Production or Under Development

The Company does not currently have mineral properties under development. The future development of properties found to be economically feasible, and the development of which is approved by the Board, will require the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labour and mining equipment;
- the need to obtain necessary environmental and other governmental approvals and permits and the
- timing of the receipt of those approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, environmental groups or locals;
- groups which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies.

RISKS AND UNCERTAINITES (continued)

The costs, timing and complexities of developing the Company's projects may be greater than anticipated because the majority of such property interests are not located in developed areas, and, as a result, the Company's property interests may not be served by appropriate road access, water and power supply and other support infrastructure. Cost estimates may increase as more detailed engineering work is completed on a project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Metal Price Volatility

The Company's business is strongly affected by the world market price of gold. If the world market price of gold were to drop and the prices realized by the Company on gold sales were to decrease significantly and remain at such a level for any substantial period, the Company's future profitability and cash flow would be negatively affected.

Gold prices can be subject to volatile price movements, which can be material and can occur over short periods of time and are affected by numerous factors, all of which are beyond the Company's control. Industry factors that may affect the price of gold include: industrial and jewellery demand; the level of demand for gold as an investment; central bank lending, sales and purchases of gold; speculative trading; and costs of and levels of global gold production by producers of gold. Gold prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted, and other currencies; interest rates; and global or regional, political or economic uncertainties.

Depending on the market price of gold, the Company may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

History of Losses and No Immediate Foreseeable Earnings

The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it develops its properties and commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever achieve profitability.

RISKS AND UNCERTAINITES (continued)

Mining Risks and Insurance Risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, labour force disruptions, civil strife, unavailability of materials and equipment, weather conditions, pit wall failures, rock bursts, cave-ins, flooding, seismic activity, water conditions and gold bullion losses, most of which are beyond the Company's control. These risks and hazards could result in: (i) damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; (ii) delays in mining; and (iii) monetary losses and possible legal liability. As a result, production may fall below historic or estimated levels and the Company may incur significant costs or experience significant delays that could have a material adverse effect on the Company's financial performance, liquidity and results of operation.

The Company does not maintain insurance to cover these risks and hazards. The lack of, or insufficiency of, insurance coverage could adversely affect the Company's cash flow and overall profitability.

Permitting Approvals

The operations of the Company and the exploration agreements into which it has entered require approvals, licenses and permits from various regulatory authorities, governmental and otherwise (including project specific governmental decrees) that are by no means guaranteed. The Company believes that it holds or will obtain all necessary approvals, licenses and permits under applicable laws and regulations in respect of its main projects and, to the extent that they have already been granted, believes it is presently complying in all material respects with the terms of such approvals, licenses and permits. However, such approvals, licenses and permits are subject to change in various circumstances and further project-specific governmental decrees and/or legislative enactments may be required. There can be no guarantee that the Company will be able to obtain or maintain all necessary approvals, licenses and permits that may be required and/or that all project-specific governmental decrees and/or required legislative enactments will be forthcoming to explore and develop the properties on which it has exploration rights, commence construction or operation of mining facilities or to maintain continued operations that economically justify the costs involved.

Repatriation of Earnings Risk

There are currently no restrictions on the repatriation from Colombia of earnings to foreign entities. However, there can be no assurance that restrictions on repatriations of earnings from Colombia will not be imposed in the future. Exchange control regulations require that any proceeds in foreign currency originated on exports of goods from Colombia (including minerals) be repatriated to Colombia. However, purchase of foreign currency is allowed through any Colombian authorized financial entities for the purpose of payments to foreign suppliers, repayment of foreign debt, payments of dividends to foreign stockholders and other foreign expenses.

Changes in Legislation

The mining industry in Colombia is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Company will be unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations which are evolving in Colombia, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

Economic and Political Factors in Colombia

Although Colombia has a long-standing tradition respecting the rule of law, which has been bolstered in recent years by the present and former government's policies and programs, no assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Colombia. The Company's property interests and proposed exploration activities in Colombia are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, and changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. Colombia is home to South America's largest and longest running insurgency. While the situation has improved significantly in recent years, the conflict continues in very localized areas and there can be no guarantee that the situation not again deteriorate. Any increase in kidnapping, gang warfare, homicide and/or terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations.

Additionally, the perception that matters have not improved in Colombia may hinder the Company's ability to access capital in a timely or cost effective manner. Any changes in regulations or shifts in political attitudes are beyond the Company's control and may adversely affect the Company's business.

Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income and/or mining taxes, expropriation of property, environmental legislation and mine and/or site safety.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other parties with greater financial, technical and other resources than the Company, in the search for and acquisition of exploration and development rights on attractive mineral properties. The Company's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the properties on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on suitable properties for exploration and development. There is no assurance that the Company will continue to be able to compete successfully in acquiring exploration and development rights on such properties.

Changes to Environmental Laws

The Company's operations are subject to the extensive environmental risks inherent in the gold mining industry. The current or future operations of the Company, including development activities, commencement of production on its properties, potential mining and processing operations and exploration activities require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Existing and possible future environmental legislation, regulations and actions could cause significant additional expense, capital expenditures, restrictions and delays in the activities of the Company. Although the Company believes that it is in substantial compliance in all material respects with applicable material environmental laws and regulations, there are certain risks inherent in its activities such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability. In addition, the Company cannot assure that the illegal miners operating on its properties are in compliance with applicable environmental laws and regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, 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 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 companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Shortage of Experienced Personnel and Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company. The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan.

Furthermore, certain of the directors and officers of the Company are directors and officers of other reporting issuers and, as such, will devote only a portion of their time to the affairs of the Company.

Conflicts of Interest

Certain of the Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies participate in ventures in which the Company may participate, the directors of the Company will have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, a director or officer who has such a conflict will disclose that conflict and will abstain from voting for or against the approval of such participation or such terms. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will consider, among other things, the degree of risk to which the Company may be exposed and its financial position at that time.

Possible Volatility of Stock Price

The market price of the Company's Common Shares can be subject to wide fluctuations in response to factors such as actual or anticipated variations in the Company's results of operations, changes in financial estimates by securities analysts, general market conditions, the issuance of Common Shares in connection with acquisitions made by the Company or otherwise, and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of the Common Shares.

Enforcement of Civil Liabilities

Substantially all of the Company's assets are located outside of Canada and certain of the directors and officers of the Company are residents outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or any of the Company's directors and officers residing outside of Canada.

Dividends

Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Financing Risks

Additional funding may be required to complete the proposed or future exploration and other programs on the properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Company to reduce or delay its proposed operations.

The majority of sources of funds currently available to the Company for its acquisition and development projects are in large portion derived from the issuance of equity. While the Company has been successful in the past in obtaining equity financing to undertake its currently planned exploration and development programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Option agreements and other risk sharing structures

The Company is party to the Pavo Real Shareholder Agreement with a third party and may enter into other comparable agreements in the future. Any failure of a partner to meet its obligations to the Company or third parties, or any disputes with respect to the parties' respective rights and obligations could have a material adverse effect on such projects. In addition, the Company may suffer dilution of its interest in the properties if it is not able to meet its funding obligations under the terms of the joint venture.

Currency Risk

The Company maintains its accounts in Canadian dollars and the market for gold is principally denominated in U.S. dollars. The Company's operations in Colombia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. Colombia has a free and unrestricted supply and demand market. The Company is exposed to foreign exchange risk from the exchange rate of Colombian pesos relative to the Canadian and U.S. dollars. Foreign exchange risk is mainly derived from assets and liabilities stated in Colombian pesos. The Company limits its foreign exchange risk by the acquisition of short-term financial instruments and, when possible, minimizes its Colombian peso monetary asset positions.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. The market for the Common Shares will be subject to market trends generally, notwithstanding any potential business of the Company. The value of the Shares will be affected by such volatility.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A is filed on SEDAR will be provided to anyone who requests it.

FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. 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 state 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 risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; 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, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may 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. 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. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion or incorporation by reference of forward-looking statements in this MD&A should not be considered a representation by the Company or any other person that the Company's objectives or plans will be achieved.

FORWARD-LOOKING INFORMATION (Continued)

The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.