GREENLAND RESOURCES INC.
(FORMERLY "PRIMERA BIOSCIENCE RESEARCH INC.")

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2014

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited annual financial statements of Greenland Resources Inc. (formerly Primera Bioscience Research Inc.) (the "Corporation") for the years ended March 31, 2014 and 2013, and the related notes. The Corporation's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars. The Corporation reports its financial position, results of operations and cash-flows in accordance with International Financial Reporting Standards ("IFRS"). This MD&A is made as of July 29, 2014.

Additional information relating to the Corporation is on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

DESCRIPTION OF THE BUSINESS

The Corporation was incorporated on February 7, 2008. Until June 5, 2014, the Corporation focused on one early stage biomedical research project involving brain tumour and stem cell research (the "Research Project"). See "Description of the Business – The Research Project" for a detailed description of the Research Project.

The Corporation is now a mineral exploration company. Subsequent to March 31, 2014, the Company acquired a 100% interest in the Storo Gold Project, a mineral exploration project located in Greenland, through the acquisition of all of the outstanding shares of Copenhagen Minerals Inc. ("CMI"), a private Ontario company. In connection with this transaction, the Company also changed its name to "Greenland Resources Inc.". See "Change of Business".

The Corporation is a reporting issuer in the Province of Ontario. The common shares of the Corporation do not trade on any stock exchange or market quotation system. As at the date of this MD&A, the Corporation had 21,025,000 common shares issued and outstanding and 250,000 shares subject to issuance pursuant to a non-assignable agent's warrant. See "Corporate Overview" and "Liquidity and Capital Resources".

In addition to the other information contained in this MD&A, shareholders should carefully consider the risk factors discussed under "Risks and Uncertainties" all of which may have a material adverse effect on the business, financial condition or results of operations of the Corporation.

CORPORATE OVERVIEW

From its formation through the end of the financial year ended March 31, 2014, the Corporation was focused on early stage biomedical research by identifying and investing in promising projects. Pursuant to a research agreement (the "Research Agreement") dated February 8, 2008 between the Corporation and The Hospital for Sick Children ("HSC"), the Corporation is to collaborate with and provide $300,000 of funding to HSC with respect to the Research Project. The Research Agreement entitles the Corporation to 10% of the proceeds from commercialization agreements pertaining to intellectual property derived from the Research Project.

The Corporation fulfilled its $300,000 funding obligation to HSC by making a series of payments between February 8, 2008, and February 3, 2010. Following completion of its funding obligations, pending completion of the research work by HSC, the activities of the Corporation consisted of minimal corporate maintenance and administration to monitor the Research Project, and to watch for other potential projects of interest. The Corporation considered initiatives in the areas of technology and development outside of the biotechnology sector in order to expand its business and create value for shareholders.

On July 30, 2008, the Corporation issued 2,500,000 common shares of the Corporation, at a price of $0.10 per share for aggregate proceeds of $250,000 pursuant to a final prospectus of the Corporation dated July 23, 2008 (the "2008 Financing"). Funding of the research activities on the Research Project is being provided from these proceeds.

On September 25, 2009, the Corporation completed an arm's length private placement pursuant to which 375,000 common shares were issued at $0.10 per share for gross proceeds of $37,500 (the "2009 Financing"). The proceeds from this private placement were intended to fund ongoing general and administrative expenses.

On May 20, 2014, the Corporation entered into an agreement with Ruben Shiffman, Jesper Kofoed, Sygnus Corp., and CMI dated May 20, 2014 (the "CMI Acquisition Agreement") to acquire all of the outstanding shares of CMI, a private Ontario company. In consideration for the CMI shares, the Corporation issued 16,650,000 common shares at a deemed price of $0.10 per share. This transaction was completed on June 5, 2014. As a result of the transaction, the Corporation's business is now primarily focused on mineral exploration. See "Change of Business".

The success of the Storo Gold Project cannot be assured. The Corporation has no current sources of revenue other than interest earned on cash and short-term money market instruments all of which were derived from issuances of share capital. See "Risks and Uncertainties".

CHANGE OF BUSINESS

On May 20, 2014, following the review of a number of biotech, research technology and other potential business opportunities, the Corporation announced that it had agreed to acquire CMI pursuant to the CMI Acquisition Agreement. In consideration for the CMI shares, the Corporation issued 16,650,000 common shares at a deemed price of $0.10 per share. Upon completion of the transaction on June 5, 2014, the Corporation's name was changed from Primera Bioscience Research Inc. to Greenland Resources Inc., and CMI's management team assumed management of the Corporation. As a result of the transaction, the Corporation's business is now primarily focused on mineral exploration activities at the Storo Gold Project.

DESCRIPTION OF THE BUSINESS

As a result of the acquisition of CMI which owns the Storo Gold Project, the Corporation is now a mineral exploration company. See "Corporate Overview" and "Change of Business". In light of the change of the Corporation's business to mineral exploration, the Corporation is establishing its mineral exploration plans and is reviewing its corporate strategy regarding the Research Project. A description of both the mineral exploration and biomedical research businesses of the Corporation are presented below.

The Storo Gold Project

The Storo Gold Project is located in Greenland, an autonomous territory with extended self-rule within the Kingdom of Denmark. The Fraser Institute Annual Survey of Mining Companies 2012/2013 ranked

Greenland as the country with the highest global mineral potential (ranked #2 in the 2011/2012 survey). Greenland is known to host deposits of many metals including base metals (nickel, zinc, lead, copper & iron), precious metals (gold, silver, platinum and palladium) and others (REE's, tungsten, molybdenum and uranium) as well as industrial minerals such as olivine and anorthite. Greenland hosts a number of active mining and exploration companies, primarily from Canada, Australia and the United Kingdom.

The Storo Gold Project is situated in south west Greenland only 40km from the Greenland capital Nuuk on the Island of Storo in the year-round open water Nuuk Fjord.

The gold prospects in the Nuuk Fjord area are located in the strongly deformed and metamorphosed rocks of Archean age. The area is an extension of the North American Craton and is suggested to correlate with the Nain Province in Labrador, Canada.

The Nuuk Fjord gold prospects occur in basic to intermediate volcanic terrain that may be subsequently intruded by island arc, intermediate to acidic rocks. Storo is hosted by metavolcanic and metasedimentary rocks of the Storo supracrustal belt, bounded to the west by the NNE-striking, 300-400m wide, Storo shear zone, a deep seated, regional NE-striking structural zone, separating supracrustal rock from footwall ortho-gneisses.

At Storo there are two levels of mineralization, the Main Zone and the BD Zone. Both zones are situated within the Qingaq Mountain and are up to 12m wide with 10-50m wide low grade alteration halos.

The Main Zone occurs in an antiformal fold in the upper amphibolite unit and consists of auriferous quartz veins in garnet and biotite alteration zones up to 50m thick. Surface rock grab samples have returned up to 82.3 g/t Au (Sample RGC106916) in this area with common visible gold in both surface and drill core samples. The Main Zone has been traced to 150 m below the surface in drill holes and gold grades in drill samples range up to 52g/t Au over 2m (DDH05-05 47m-49m).

The BD Zone occurs lower, on the contact between biotite-sillimanite-garnet gneiss and the upper amphibolites and gold occurs mainly in quartz-veined, arsenopyrite-bearing zones along the contact and in both rock types up to 20m away from the contact. Gold grades in drill core samples range up to 15 g/t Au over 10m (DDH 10-54 39m-49m). The BD zone has been followed along strike for 700-800 m with channel samples that returned up to 22g/t Au over a true width of 1.8m (Sample RCH213061).

The mineralization has been traced to nearby Aappalaartoq Mountain situated 4 km to the NE from Qingaq Mountain. On Aappalaartoq surface samples return up to 25.6 g/t Au (RGB212942) in situ and 46.4 g/t in scree (SCS111358) .

Since 1995, a total of 86 drill holes totaling 15,375 m have been drilled by previous owners, of which only 6 holes were drilled on Aappalaartoq Mountain.

Selected intercepts of the auriferous zones below Qingaq Mtn. comprise but are not limited to:

Hole ID	From	To	*Apparent intercept (m)	**Ave Au grade (ppm)
DH95-03	24	44	20	6.3
Incl.	36.3	38	1.7	50.3
Incl.	42	44	2	12.9
DH05-01	6	18	12	4.2
Incl.	16	18	2	10.3
DH05-05	45.1	69	23.9	6.4
Incl.	47	49	2	52.2
DH05-14	89	103	13.8	3.5
Incl.	89	91	2	18.1
DH05-24	31.4	51	19.6	3.6
Incl.	39	49	10	5.9
DH06-32	61.3	73.4	12.1	5.6
DH10-54	22.3	51	28.8	6.74
Incl.	39	49	10	15

**True width is likely to be less than the apparent intercept depending on the orientation of the mineralised structures. **Au grade = weighted average (total length*total grade/total length).*

Mr. Johan Bradley, FGS, CGeol, EurGeol, Principal Geologist at SRK Consulting (Sweden) AB and a Qualified Person under National Instrument 43-101 has approved the technical information in this management discussion and analysis.

The Research Project

The Corporation is engaged in early stage biomedical research. The Corporation currently has one project, a collaboration with HSC under which it provided $300,000 of funding to HSC for the Research Project. The Research Project involves certain brain tumour and stem cell research being undertaken pursuant to the Research Agreement. The first payment of $100,000 was made on February 8, 2008 upon execution of the Research Agreement. The second payment of $100,000 was made on August 1, 2008. The final $100,000 payment was due on February 8, 2009. This deadline was extended pending an update on research progress and ultimately made on February 3, 2010. The Research Agreement entitles the Corporation to 10% of the proceeds from commercialization agreements pertaining to intellectual property derived from the Research Project. See “Risks and Uncertainties”.

Research Objectives

The research objective of the Corporation’s collaboration with HSC pursuant to the Research Agreement, is to test if the drugs that HSC has determined show anti-normal neural stem cell and brain tumour stem cell effect (in mouse and human cells) in culture are effective treatments for brain tumours in two experimental models of brain cancer, one human and one mouse. The main purpose of the Research Project is to perform the necessary experiments on brain tumour animal models using HSC’s best previously identified drugs in order to bring them to clinical trial for human brain tumour patients. HSC’s objective is to obtain as much good quality *in vivo* data as expeditiously as possible, as a first step to human clinical trials. See “Risks and Uncertainties”.

Commercial Objectives

The Corporation has funded the Research Project which involves testing by HSC of certain agents which are the subject of the “Patent Application”, as defined under the terms of the Research Agreement. These tests will determine if one or more of the agents has favourable potential for development into a useful

brain cancer treatment, which may lead to commercial products which can be the subject of commercialization agreements. The Research Agreement entitles the Corporation to 10% of the proceeds from commercialization agreements pertaining to intellectual property derived from the Research Project with no further obligation to provide funding after payment of $300,000 in research costs. Other than the foregoing, the Corporation does not have any right, title or interest in the Patent Application or any other intellectual property derived from the Research Project. See "Risks and Uncertainties".

The Hypothesis that Cancer is a Stem Cell Disease

Cancer has been generally described as a disease characterized by uncontrolled, abnormal growth of cells. Recent data from several laboratories including the laboratories of HSC have demonstrated that cancer is a stem cell disease. The hypothesis is that cancer growth depends on a rare population of cells within the cancer tissues which have stem cell properties. Most of the cells that comprise the bulk of the cancer do not have the ability to sustain cancer growth. On the other hand, "cancer stem cells" possess similar properties to normal stem cells, which is the ability to self renew, to generate more stem cells, and to create large populations of mature cells that comprise the bulk of the cancer tissue. An application of the principles of stem cell biology is providing new insight into brain tumours, as well as leukemia, breast cancer, colon cancer, prostate cancer, and pancreatic cancer. Many other cancers may be also proven to be driven by rare populations of stem cells that reside within.

Brain Stem Cell Cancer Research

In 2004, HSC's laboratory identified the cancer stem cells in human brain tumours from children and adults. Currently, the therapy for these tumours is limited and the mortality rates are among the highest for any human cancer. The discovery of these cancer stem cells in human brain tumours suggests that current treatments spare these rare cancer cells, and that to effect a brain tumour cure, these cells must be targeted.

Recently HSC's laboratory has engaged in drug discovery studies for cancer stem cells, by performing an *in vitro* chemical biology screen on normal brain stem cells (neural stem cells) from mice. This screen, the first drug screen published on normal brain stem cells, identified a number of drugs that slowed the growth of these cells in a culture system. These drugs also subsequently demonstrated the ability to slow the growth of human brain stem cells and, as well, human and mouse brain tumours in culture.

The library of compounds that HSC used in its screen contained many drugs in clinical use, but they were not previously identified as anti-cancer drugs. As they have been used on human patients for other brain diseases (such as depression and Parkinson's), they could theoretically be more rapidly deployed for clinical use if they show effect on further laboratory studies in animal models. As well, as many of the drugs that showed effect are used in human brain diseases, researchers have known that they penetrate into and have pharmacologic activity in the central nervous system, which overcomes an important barrier to the application of novel compounds, that is, the difficulty in getting drugs administered systemically (orally or intravenously) into the brain so that they may exert their activity. Pursuant to the Patent Application, HSC has submitted for patent protection 160 drugs for its use in human brain tumours, but so far only 41 drugs have been characterized of which only 10 have been studied in great detail.

Research Models

To further advance brain tumour cell research, and before application to human patients, it is necessary to determine if the drugs identified by HSC are effective in treating brain tumours in experimental animal models.

HSC has recently established, in its laboratory, an *in vivo* cancer stem cell model to study human brain tumour stem cells, and it has also identified cancer stem cells in an important genetically engineered mouse model, where mice deficient for the gene "Patched-1" develop medulloblastomas which are identical to those that occur in young children. The most important experiments involve human cells, but the mouse model which spontaneously develops brain tumours has advantages as these tumours can be very efficiently generated. The human models are mainly for adult tumours, and the mouse models are exclusively for childhood tumours.

Research Timing and Protocols

The research for the Research Project commenced in April, 2008, by way of laboratory studies contemplated by the Research Project. HSC will initially focus its studies on its five best agents (i.e. drug compounds) that were defined in its previously published stem cell culture studies. If these agents are not effective, HSC will move to its next best five agents. It may be difficult to predict which will be the most effective agents *in vivo* based on potency *in vitro*. HSC is working towards the first set of "go/no go" decisions to advance to clinical trial for its first five drugs. HSC has preliminary, but promising, results with three compounds in the animal models. These three drugs are now being subjected to further testing in animal models of brain tumours to confirm preliminary results.

For any agent that shows effectiveness in the animal models, HSC's goal will be to move quickly to establishing a clinical trial for that agent. To perform a clinical trial, HSC will have to raise additional funds, through grants from cancer agencies, private companies, or through the establishment of HSC's own venture capital company.

HSC will also use one additional strategy to obtain further value from this Project. HSC will perform *in vitro* dose response analysis (secondary screens) for the next 50 compounds out of the 160 original hits (41 compounds out of 160 hits were characterized in detail in its initial study). This experiment will determine the next candidate agents (10-20 agents are anticipated) for the next phase of testing *in vivo*. HSC will begin to perform these experiments early in the first year of this Project, so that any particularly interesting compound will be fast tracked for the *in vivo* study. For this experiment, the 50 compounds will be ordered directly from the source manufacturer.

As of the date of this MD&A, test work is ongoing, with initial results and interpretation to be reported upon in the anticipated research update report when more work has been completed.

In addition to the other information contained in this MD&A, shareholders should carefully consider the risk factors discussed under the section entitled "Risks and Uncertainties" which may have a material adverse effect on the business, financial condition or results of operations of the Corporation.

SELECTED ANNUAL AND QUARTERLY INFORMATION

Statement of Financial Position Data – As at March 31, 2014 (audited), March 31, 2013 (audited) and March 31, 2012 (audited)

	March 31, 2014 ($)	**March 31, 2013 ($)**	**March 31, 2012 ($)**
Current Assets	121,720	135,202	149,193
Current Liabilities	6,500	13,196	9,000
Working Capital (Deficit)	115,220	122,006	140,193
Total Assets	121,720	135,202	149,193
Shareholders' Equity (Deficiency)	115,220	122,006	140,193
Deficit	(280,480)	(273,694)	(255,507)

Statement of Operations and Deficit Data – for the fiscal years ended March 31, 2014 (audited), March 31, 2013 (audited) and March 31, 2012 (audited)

	Fiscal Year ended March 31, 2014 ($)	**Fiscal Year ended March 31, 2013 ($)**	**Fiscal Year ended March 31, 2012 ($)**
Expenses	8,449	20,044	25,209
Interest (Income)	(1,663)	(1,857)	(1,742)
Net Income (Loss)	(6,786)	(18,187)	(23,467)
Net Income (Loss) (Per Share)	0.00	0.00	0.01
Net Income (Loss) (Per Share, Fully Diluted)	0.00[(1)]	0.00[(1)]	0.01[(1)]

Notes:

(1) Net loss per share on a fully diluted basis is the same as net loss per share on an undiluted basis, as all factors which were considered in the calculation are anti-dilutive.

Current assets and working capital at March 31, 2014, March 31, 2013 and March 31, 2012, show a slow decline over time as the Corporation deploys cash balances to fund its presently low cost activities. The Corporation received refundable government research and development tax credits in fiscal 2011 ($54,500), however the Corporation is not entitled to any further such credits based on the research it has funded to date.

Other than the 2009 Financing and the refundable government research and development tax credits, the only other source of working capital for the Corporation was the 2008 Financing. The 2008 Financing was completed on July 30, 2008 and qualified by a prospectus dated July 23, 2008, pursuant to which 2,500,000 common shares of the Corporation were issued at a price of $0.10 per share for aggregate proceeds of $250,000. These proceeds are being used to fund the Research Project and for general working capital.

Current liabilities of $6,500 as at March 31, 2014 were lower than in the prior period (2013 - $13,196) and reflect the Corporation's lower level of activity during the period. Current liabilities as at March 31, 2013 were comparable to the prior period (2012 - $9,000), also reflecting the Corporation's lower level of activity during the period.

The Corporation currently has no sources of revenue and no other financings were completed or contemplated at present.

RESULTS OF OPERATIONS

During the fiscal year ended March 31, 2014, the Corporation undertook no additional financings. There was no activity apart from corporate maintenance and monitoring of the HSC Project progress. Expenses were accordingly minimal. The Corporation's G&A expense breakdowns for the 12 month period ending March 31, 2014 and 2013 are provided below. In both cases it can be seen that the low levels of activity in both years resulted in closely comparable results. Professional fees were higher during the 12 month period ending March 31, 2013, due to non-recurring expenses incurred with the proposed amalgamation with ES Investments Ltd. announced on May 15, 2012, which was subsequently abandoned due to adverse capital market conditions which precluded the required equity financing.

Details of general and administrative expenses for the twelve months ended March 31, 2014 (audited) and March 31, 2013 (audited)

	March 31, 2014 ($)	**March 31, 2013 ($)**
Professional fees	2,300	13,845
Office and administration expenses	6,149	6,199
Interest (Income)	(1,663)	(1,857)
Net General and Admin expenses	6,786	18,187

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly results of the Corporation for the eight most recently completed quarters. The information contained herein is derived from the relevant financial statements of the Corporation for the listed quarters.

Year	**2014**	**2013**	**2013**	**2013**
Quarter ended	**March 31 (14Q4)**	**December 31 (14Q3)**	**September 30 (14Q2)**	**June 30 (14Q1)**
Revenue	nil	nil	nil	nil
Working Capital (Deficit)	115,220	115,329	116,863	119,620
Expenses	557	1,887	3,201	2,804
Interest Income	(448)	(353)	(444)	(418)
Net & Comprehensive Income (Loss)	(109)	(1,534)	(2,757)	(2,386)
Net Income (Loss) (per share)	(0.00)	(0.00)	(0.00)	(0.00)

Year	2013	2012	2012	2012
Quarter ended	**March 31 (13Q4)**	**December 31 (13Q3)**	**September 30 (13Q2)**	**June 30 (13Q1)**
Revenue	nil	nil	nil	nil
Working Capital (Deficit)	122,006	124,223	134,539	135,238
Expenses	2,672	10,787	1,181	5,404
Interest (Income)	(455)	(471)	(482)	(449)
Net & Comprehensive Income (Loss)	(2,217)	(10,316)	(699)	(4,955)
Net Income (Loss) (per share)	(0.00)	(0.00)	(0.00)	(0.00)

The expenses of the Corporation reflect the full operational and compliance costs associated with running the Corporation. The Corporation's $300,000 research expense under the terms of the Research Agreement was recognized for accounting purposes in the startup period after incorporation, which was the quarter ended March 31, 2008.

LIQUIDITY AND CAPITAL RESOURCES

Fiscal Period Ended March 31, 2014

The Corporation had working capital of $115,220 as at March 31, 2014, which is sufficient to maintain operations consisting of corporate maintenance, monitoring of ongoing research activity in the Research Project, and to fund expenses resulting from the Transaction. By comparison, the working capital of the Corporation as at December 31, 2013 was $115,329. The slight decrease reflects the corporate maintenance costs for the quarter. The quarterly summary data table (above) shows the working capital slowly declining since June 30, 2012, which reflects outlays on the Corporation's minimal operating expenditures.

The Corporation has funded its operations since incorporation out of the proceeds of the 2009 Financing, the 2008 Financing and the Initial Financing, and the Corporation has received cash from refundable government research and development tax credits. The Corporation has not received any additional funds, apart from interest earned on its short term investments, since receiving refundable tax credit funds in December 31, 2010.

During the 12 months ended March 31, 2009, the Corporation completed the 2008 Financing, pursuant to which 2,500,000 common shares of the Corporation were issued at a price of $0.10 per share for aggregate proceeds of $250,000. The agent received a cash commission of $20,000, representing 8% of the gross proceeds of the financing, a work fee of $5,000 and a non-assignable agent's warrant to acquire 250,000 common shares at a price of $0.10 per share for a term of 24 months following the date of listing of the common shares on a recognized stock exchange.

Proceeds from the Corporation's 2008 Financing were used to fulfill research funding commitments for the Research Project and for general working capital purposes. During the twelve months ended March 31, 2010, the Corporation completed the 2009 Financing, an arm's length private placement pursuant to which 375,000 common shares were issued at $0.10 per share for gross proceeds of $37,500. The proceeds of the 2009 Financing are being used to supplement general working capital.

Subsequent Developments

In light of the change of the Corporation's business to mineral exploration, the Corporation is reviewing its corporate strategy regarding the Research Project. See "Corporate Overview" and "Change of Business". It intends to continue funding maintenance costs associated with the Research Project pending completion of its strategic review, and has sufficient working capital for this purpose.

As a mineral exploration company, it is expected that the Corporation's operational expenditures will increase significantly. The Corporation will be wholly dependent on equity or debt financing to undertake exploration and development of its mineral property. The availability of such financing will be dependent on the success of the Storo Gold Project, and upon the state of the capital markets generally. There can be no assurance that financing, whether debt or equity, will be available to in the amount required at any particular time or for any particular period, or if available, that such financing can be obtained on terms satisfactory to the Corporation. The Corporation has no sources of revenue other than interest earned on its cash and short term investments, which have been sufficient to offset some costs associated with maintaining the Research Project, but will not be sufficient to sustain mineral exploration activities. It has not generated any revenue from its business operations and does not expect to generate any such revenue in its next fiscal year.

The Corporation presently has no commitments for capital expenditures and has no debt financing. The Corporation intends to fund future mineral exploration commitments through equity financing, and any other financing arrangements that may become available. See "Risks and Uncertainties".

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Fiscal Period Ended March 31, 2014

During the fiscal year ended March 31, 2014, the Corporation did not have any transactions with related parties.

PROPOSED TRANSACTIONS

On May 20, 2014, the Corporation announced that it had entered into an agreement for the purchase of all of the issued and outstanding shares of CMI in exchange for the issuance of 16,550,000 common shares of the Corporation, which were issued at a deemed issue price of $0.10. This transaction was completed on June 5, 2014. See "Corporate Overview" and "Change of Business".

RISKS AND UNCERTAINTIES

As a result of the acquisition of CMI which owns the Storo Gold Project, the Corporation is now a mineral exploration company. See "Corporate Overview" and "Change of Business". In light of the change of the Corporation's business to mineral exploration, the Corporation is establishing its mineral exploration plans and is reviewing its corporate strategy regarding the Research Project. Risks and uncertainties are presented below for both the mineral exploration and biomedical research.

Risk Factors Associated with Mineral Exploration

Securities of the Corporation should be considered to be speculative due to the nature of the mineral exploration business in which the Corporation is engaged. Some of the risks associated with an investment in the securities of the Corporation are described below.

Lack of Reserves

None of the mining claims in which the Corporation has an interest contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore. The Corporation has a single project, being the Storo Gold Project. The Storo Gold Project has no resources or reserves. If exploration programs on the Storo Gold Project are unsuccessful, the Corporation will have no undertaking and no basis to continue in the mineral exploration sector.

Exploration, Development and Operating Risks

Exploration and Mining operations generally involve a high degree of risk. The Corporation's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious and base metals, 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 that may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, 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 Corporation 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 size, grade and proximity to infrastructure; metal 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 the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Corporation towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

Insurance and Uninsured Risks

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, 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 production facilities, personal injury or death, environmental damage

to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Corporation maintains insurance through its subcontractors to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to 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 Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation 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 Corporation'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 which will require stricter standards and enforcement, 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 Corporation's operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals, approval of aboriginal people and permits are currently, and may in the future be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

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 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 Corporation and cause increases in exploration expenses, 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.

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 affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Land Title

Although the title to the licence covering the properties in which the Corporation holds an interest were reviewed by or on behalf of the Corporation, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Corporation's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Corporation has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Corporation's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition

The mining industry is competitive in all of its phases. The Corporation faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Corporation. As a result of this competition, the Corporation may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Corporation's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The exploration and development of the Corporation's properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation.

Commodity Prices

The price of the common shares, the Corporation's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of precious and base metals. Precious and base metal mineral prices fluctuate widely and are affected by numerous factors beyond the Corporation's control such as the sale or purchase of such commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major precious and base metal mineral-producing countries throughout the world. The prices of precious and base metals have fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production

from the Corporation's properties to be impracticable. Depending on the price of precious and base metals, cash flow from mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Corporation's mining properties is dependent on precious and base metal mineral prices that are adequate to make these properties economic.

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

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. Precious and base metal minerals are generally sold in US dollars and the Corporation's costs are incurred principally in Canadian and US dollars. The appreciation of non-US dollar currencies against the US dollar can increase the cost of precious and base metal mineral exploration and production in US dollar terms.

Government Regulation

The mining, processing, development and mineral exploration activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Corporation's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Corporation.

Risk Factors Associated with Biomedical Research

Securities of the Corporation should be considered to be speculative due to the nature of the biomedical research business in which the Corporation is engaged ancillary to mineral exploration. Some of the risks associated with an investment in the securities of the Corporation are described below.

Early Stage Development

The Corporation's only enterprise at the present time is the Research Project, which involves brain stem cell research and the role of brain stem cells in cancer. See "Description of the Business". The Corporation has not begun to market any products or generate revenues. The Research Project involves early stage research and is high risk. The Corporation will spend a significant amount of the capital being raised pursuant to this MD&A to fund the research and development as described under "Description of the Business – The Research Project". The Corporation cannot predict when, if ever, it will be profitable or realize any proceeds from the commercialization of the Research Project. There can be no assurance that the Research Project, or other projects it may acquire, will be developed into products which meet applicable regulatory standards, receive required regulatory approvals, will be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed.

History of Operating Losses and Continued Operating Losses

The Corporation has no source of revenues. Since incorporation, the Corporation has accumulated net losses and expects such losses to continue. There can be no assurance that the Research Project or any other project which the Corporation may acquire will result in successful commercialization.

Need for Additional Capital and Access to Capital Markets

The proceeds of the financing are only sufficient to fund the research and development as described under "Description of the Business – The Research Project". The Corporation will require additional capital following the completion of the Research Project to fund general and administrative expenses, as well as fund the costs of research for and acquiring other projects. Further financing may dilute the current holdings of shareholders and may thereby result in a loss for shareholders. There can be no assurance that the Corporation will be able to obtain adequate financing, or financing on terms that are reasonable or acceptable for these or other purposes, or to fulfill the Corporation's obligations under any potential projects. Failure to obtain additional financing could result in delay or indefinite postponement of further research and development of the Corporation's projects.

Absence of Identifiable Market

The Research Project involves early stage brain stem cell research, and the role of brain stem cells in cancer. The prospects for this research and how any successful outcome may be commercialized are unknown at the present time. See "Description of the Business – The Research Project". Until the research progresses it is impossible to identify actual products or anticipate a market for any such potential products and technologies. It is likewise not possible to predict the potential for competition from other products and the degree of commercial viability of the potential market.

Reliance on Third Parties for Research and Development

The Corporation does not have its own staff for research, development, pre-clinical and clinical planning, testing and management, regulatory assistance, manufacturing, marketing and commercialization of the Corporation's technologies. In the case of the Research Project, all research, development and commercialization efforts are being conducted by HSC pursuant to the terms and conditions of the Research Agreement. The Corporation's strategy is, has been, and may in the future be, entering into various arrangements with corporate and academic collaborators, licensors, licensees and others. There can be no assurance, however, that the Corporation will be able to maintain its collaborations or establish new collaborations on favourable terms, if at all, or that its current or future collaborative arrangements

will be successful. Should any third party collaborators fail to develop or commercialize successfully any product to which the Corporation has rights, the Corporation's business, financial condition and results of operations may be adversely affected.

Reliance on HSC for Commercialization of the Research Project

Pursuant to the Research Agreement, HSC is responsible for commercialization of the Research Project. Although the Corporation is entitled to discuss progress, challenges encountered and any ideas, concepts or inventions conceived in the course of development of the Research Project, HSC will be primarily responsible for research and commercialization strategies associated with the Research Project. Accordingly, any failure by HSC to develop or successfully commercialize the Research Project will adversely affect the Corporation's business, financial condition and results of operations. In addition, the efforts required by HSC to commercialize the Research Project will require capital and there can be no assurance that HSC will be able to obtain adequate financing, or financing on terms that are reasonable or acceptable. Failure to obtain additional financing could result in delay or indefinite postponement of commercialization of the Research Project.

Licenses, Patents and Proprietary Rights

Pursuant to the Research Agreement, the Corporation has a right to proceeds from the commercialization of the Patent Application, as defined in the Research Agreement. At any time, pharmaceutical companies and research and academic institutions may develop technologies, file patent applications or receive patents on various technologies that may be related to the research being conducted under the Research Agreement. Some of these technologies, patent applications or patents may conflict with the future technologies, patent applications or patents intended to be licensed by HSC pursuant to the Research Agreement. Such conflict could limit the scope of the Patent Application and future patents, if any, that the Corporation may be able to obtain or result in the denial of patent applications. In addition, if patents that cover the Corporation's future activities are issued to other companies or institutions, there can be no assurance that HSC would be able to obtain licenses to these patents at a reasonable cost or be able to develop or obtain alternative technology. If HSC does not obtain such licenses, it could encounter delays in the introduction of products, or could find that the development, manufacture or sale of products requiring licenses is prohibited. In addition, HSC could incur substantial costs in defending itself in lawsuits brought against HSC on patents it might infringe, in filing suit against others to have such patents declared invalid or in filing suits against others for infringement of HSC's future licensed patents, if any. The Corporation believes that there may be significant litigation in the pharmaceutical industry regarding patent and other intellectual property rights. Such litigation may affect the Corporation's efforts to form collaborations, to conduct research and development, and to conduct clinical testing, manufacturing, marketing and the sale of any products under development or with respect to future projects. If HSC or the Corporation becomes involved in such litigation, it could consume a substantial portion of its resources. If the outcome of any such litigation were to be adverse, the Corporation's business could be materially affected.

Since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, the Corporation cannot be certain it was the first creator of inventions or that it would be the first to file patent applications for any inventions. Moreover, the Corporation might have to participate in interference proceedings declared by the Canadian Intellectual Property Office (CIPO) and the Unites States Patent and Trademark Office (USPTO) to determine priority of invention, which could result in substantial cost to the Corporation, even if the eventual outcome were to favour the Corporation. An adverse outcome could subject the Corporation to significant liabilities to third parties and require the Corporation to license disputed rights from third parties or cease using a future patent. There can be no assurance that the Corporation's licensed patents, if issued, would be held valid or enforceable by a court

or that a competitor's technology or product would be found to infringe on such patents. Furthermore, substantial costs can be incurred due to the filing of lawsuits to enforce the patent rights against apparent infringers, even if the Corporation is successful in the lawsuits.

Attraction and Retention of Key Employees and Consultants

The Corporation depends highly upon its management staff and third party scientific and business consultants, the loss of whose services might impede the achievement of the Corporation's business objectives. In addition, the anticipated development of the Corporation's technologies will require additional expertise in research, development, pre-clinical and clinical testing, planning and management, regulatory, manufacturing, marketing and commercialization which are expected to place increased demands on the Corporation's resources and management skills and reliance on outside consultants and contractors. There can be no assurance that the Corporation will be able to attract and retain such personnel, consultants and contractors on acceptable terms given the competition among numerous pharmaceutical companies, universities and other research institutions for experienced personnel. The failure to retain such personnel or consultants, or to develop or otherwise acquire the expertise could adversely affect prospects for the Corporation's success.

Competition

Research to develop new products or methods which compete with the Corporation's potential technologies is expected to intensify. The pharmaceutical industry is very competitive and subject to rapid and significant technological change. Competitors may succeed in manufacturing and/or commercializing products more rapidly or effectively, which would have a material adverse effect on the Corporation's business, financial condition or results of operations.

Furthermore, technological competition from pharmaceutical companies and universities is expected to increase. Products may be developed that are safer, more effective, more easily supplied or less expensive than those proposed to be developed by the Corporation. There can be no assurance that the Corporation will be able to keep pace with technological developments and the Corporation's competitors' products may render the Corporation's products obsolete and uncompetitive prior to recovering research, development or commercialization expenses incurred with respect to any such products.

The Corporation's competitors may develop technologies that could be the basis for competitive products. The existence of products and therapies developed by these competitors, or other products or treatments of which the Corporation is not aware, or products or treatments that may be developed in the future, may adversely affect the marketability of any products that the Corporation may develop.

Administration of the Pre-Clinical and Clinical Studies

The process of conducting pre-clinical studies, human clinical trial testing and the obtaining of required approvals for the Corporation's potential technologies is likely to take a number of years and require the expenditure of substantial resources. The amount and timing of pre-clinical studies, including animal testing, to be conducted prior to the commencement of human clinical trials, or for marketing approval of a drug, is at the discretion of federal regulators, and may involve significantly more time and money than anticipated.

In addition, human clinical trials may take longer to start and complete than anticipated. In particular, there is competition from various pharmaceutical products for access to a limited number of research clinics and patients which are qualified to participate in multi-centre human clinical trials. There can be

no assurance that access to such clinics or patients will not be delayed longer than anticipated, or obtained at all.

The animal testing and human clinical trials may result in adverse animal or patient reactions or statistically insignificant results, which may require a cessation or extension of the trials, or an increase in the number of patients enrolled in a given trial or the need to undertake ancillary testing and human trials. This may result in additional delays and expenses, cessation of the Research Project and an adverse effect on operations.

Even after completion of the Research Project, any such drug that the Corporation may develop may not receive market approval after submission to regulatory authorities, and in such event there would potentially be a significant cost to the Corporation to conduct further clinical trials or other studies, if appropriate, and a significant loss in share price.

Future Legal Proceedings

As a biological technology company, the Corporation may become, in the ordinary course of its business, a party to litigation including, among others, matters alleging employment discrimination, product liability, patent or other intellectual property rights infringement, patent invalidity or breach of commercial contract. In general, litigation claims can be expensive and time consuming to bring and to defend against and could result in settlements for damages that could significantly impact results of operations and financial condition.

General Risk Factors

Financial Instrument Risks

The Corporation does not have any policies for controlling risks associated with its financial instruments other than cash equivalents and short term investments as these other balances are expected to be immaterial. The Corporation may invest excess cash balances from time to time, and such cash equivalents and short term investments shall consist of guaranteed investment certificates which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Key Executives

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

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenue and expense during the reporting period. Such estimates and assumptions affect valuation of investments, warrants, accrued interest, research and development investment incentive tax credits recoverable, and income tax accounts. Actual results could differ from those estimates. Management of the Corporation believes that the estimates are reasonable.

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Changes in Accounting Policies

The Corporation has adopted the following new standards, along with any consequential amendments, effective April 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 7 — Financial Instruments: Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognized financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's financial statements.

IFRS 11 – Joint Arrangements ("IFRS 11") was issued by the IASB in May 2011 and replaces IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: joint operations and joint ventures. A joint operation exists when the parties have rights to the assets and obligations for the liabilities of a joint arrangement. A joint venture exists when the parties have rights to the net assets of a joint arrangement. Assets, liabilities, revenues and expenses in a joint operation are accounted for in accordance with the arrangement. Joint ventures are accounted for using the equity method. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's financial statements.

IFRS 12 – Disclosure of Interests in Other Entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles and off balance sheet vehicles. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's financial statements.

IFRS 13 – Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRS. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. It also establishes disclosures about fair value measurement. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended by the IASB in June 2011. As a result of the amendment, items in other comprehensive income are required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's financial statements.

New Accounting Standards not yet Adopted

The IASB issued the following standards which are relevant but have not yet been adopted by the Corporation. The Corporation has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9 – Financial Instruments ("IFRS 9") was issued in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost of fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

FINANCIAL INSTRUMENTS

Financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "fair value through profit and loss", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Fair value through profit and loss financial instruments are measured at their fair value with changes in fair value recognized in net income (loss) for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income (loss) until the asset is removed from the balance sheet or until impairment is assessed as other than temporary. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income (loss) for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Corporation's risk exposures that might impact its financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Liquidity Risk:

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities relating to the Research Project when due. As at March 31, 2014, the Corporation had a cash balance of $596 (March 31, 2013 - $5,700) and a short-term investment balance of $119,107 (March 31, 2013 – $129,386) to settle current liabilities of $6,500 (March 31, 2013 - $13,196). All of the Corporation's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest Rate Risk:

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

Credit Risk:

The Corporation's credit risk is primarily attributable to short-term investments and sundry receivables. The Corporation has no significant concentration of credit risk arising from operations. Short-term investments consist of guaranteed investment certificates which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in sundry receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to these financial instruments included in short-term investments and sundry receivables is remote.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Corporation's assets are safeguarded and to facilitate the preparation of relevant and timely information.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this document, which are not historical facts, are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements. Factors that could cause differences include, but are not limited to: the Corporation's objectives, goals or future plans, statements regarding the estimation of mineral resources, exploration results, potential mineralization, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, failure to convert estimated mineral resources to reserves, capital and operating costs varying significantly from estimates, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the

development of projects and the other risks involved in the mineral exploration and development industry. Although the Corporation believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this MD&A, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION [1]

Reporting Issuer:	Province of Ontario
Authorized Capital:	Unlimited number of common shares
Shares Outstanding:	21,025,000 common shares
Shares Subject to Issuance:	250,000 common shares [2]
Head Office:	Suite 507 80 Richmond Street West Toronto, Ontario M5H 2A4
Transfer Agent:	Capital Transfer Agency Inc. Suite 1101 105 Adelaide Street West Toronto, Ontario M5H 1P9
Auditor:	McGovern, Hurley, Cunningham, LLP Suite 300 2005 Sheppard Avenue East Toronto, Ontario M2J 5B4
Officers/Directors:	Dr. Ruben Shiffman, B.B.A./M.B.A., Ph.D., Chairman and Director Jesper Kofoed, B.A., M.Sc., President, Chief Executive Officer, and Director Leonard Asper, B.A., LL.B., Director Dennis H. Waddington, B.Sc., M.Sc., M.B.A., P.Geo., Chief Financial Officer

[1] As at the date of the MD&A, being July 29, 2014.
[2] The Corporation issued a non-assignable agent's warrant in respect of the 2008 Financing, entitling the holder to acquire 250,000 common shares at a price of $0.10 per share for a term of 24 months following the date of listing of the common shares on a recognized stock exchange.