

**Form 51-102F1**

**COPPER CREEK GOLD CORP.  
(Formerly Copper Creek Ventures Ltd.)**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2015**

This Management's Discussion and Analysis ("MD&A") of Copper Creek Gold Corp. ("Copper Creek" or the "Company") has been prepared by management as of May 27, 2015 and are based on and derived from the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2015 and accompanying notes thereto.

This discussion should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2014 and December 31, 2013, as well as the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015 and accompanying notes thereto. These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

These condensed consolidated interim financial statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance. Please refer to the risk factors at the end of this MD&A and forward-looking statements.

On March 4, 2013 the Company completed a share consolidation on a one (1) post-consolidated share for ten (10) pre-consolidated share basis. The Company's number of outstanding options and warrants and the accompanying exercise prices were consolidated on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these audited consolidated financial statements have been adjusted to include the effect of this share consolidation.

All dollar amounts are stated in Canadian dollars unless otherwise indicated.

**Forward-Looking Statements**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements.

This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in this MD&A, additional important factors, if any, are identified here.

## **Forward-Looking Statements (cont'd)**

The table below sets forth the significant forward-looking information included in this MD&A.

<b>Forward Looking Information</b>	<b>Key Assumptions</b>	<b>Most Relevant Risk Factors</b>
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds would materially impact the Company's ability to continue as a going concern.
The progress in adoption of International Financial Reporting Standards	Adoption is successful due to the planning and changeover governing in the year of 2011.	The Company's ability to meet the future obligations for compliance reporting Requirements.

Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

### **1.1 Date of Report**

This MD&A was reviewed by the Audit Committee and authorized for issue by the Board of Directors on May 27, 2015.

### **1.2 Overall Performance**

Copper Creek focuses on high potential resource exploration throughout North America. Copper Creek's corporate strategy is to generate profitable growth through a strategic combination of acquisitions and joint ventures opportunities.

The Company was incorporated under the *Company Act (British Columbia)* on June 19, 1987 and continued to the jurisdiction of the *Canada Business Corporation Act* on August 13, 1997. The Company trades on the TSX Venture Exchange under the symbol CPV. On July 26, 2010 the Company changed its name to Copper Creek Gold Corp. and continues to trade under the symbol CPV on the TSX Venture Exchange.

During the three months ended March 31, 2015 and in the years ended December 31, 2014 and 2013, the Company had the following properties:

#### **Badger Property**

During the financial year ended December 31, 2014, the Company relinquished its interest in the Badger Property.

#### **Bandit Property**

On July 24, 2014, Stina Resources Ltd. advised the Company it had terminated its option to acquire a 60% interest in the Bandit property.

## 1.2 **Overall Performance (cont'd)**

### **Smokey and Little Bear Properties**

On March 14, 2011 the Company entered into a purchase and sale agreement to purchase two mining claims known as the Smokey and Little Bear Properties, located approximately 130 km southeast of Vanderhoof, British Columbia, encompassing a total of 6,478.9 hectares. The properties lie in close proximity to New Gold Inc.'s important Blackwater Gold Project. The Smokey Property lies approximately seven km southeast of Blackwater and the Little Bear Property lies just 2500m due east of Blackwater. The Company paid \$30,000 in cash and issued 400,000 (pre-consolidated) common shares in consideration for 100% of the mining claims.

## 1.3 **Selected Annual Information**

	<b>For the Year Ended December 31</b>		
	<b>2014*</b>	<b>2013*</b>	<b>2012*</b>
Net sales/total revenues	-	53	97
Net loss	\$ 1,704,816	\$ 946,221	\$ 512,568
Net loss per share (basic & diluted)	\$0.14	\$0.08	\$0.05
Total assets	\$ 309,346	\$1,950,109	\$2,565,720
Total long-term financial liabilities	NIL	NIL	NIL
Cash dividends declared	NIL	NIL	NIL

\* - prepared in accordance with IFRS.

## 1.4 **Results of Operations**

### **Bonsai Project. Eskay Creek. BC**

On November 5, 2009 Copper Creek entered into an Option Agreement with Teuton Resources Corp. ("Teuton") to acquire a 60% interest in the Bonsai Property located in the Eskay Creek area of the Skeena Mining Division, in northern British Columbia in consideration of an aggregate of \$125,000 and the issuance of 500,000 (pre-consolidated) common shares, all over a period of four years. In addition Copper Creek must incur an aggregate of \$3,000,000 in exploration expenditures on or before December 31, 2014. Copper Creek has the option to acquire a further 10% interest by incurring an additional \$2,000,000 in exploration expenditures by December 31, 2015 and making a one-time payment of \$25,000 upon notice of intent to exercise the option. By letter dated March 10, 2011 the TSX Venture Exchange approved the acquisition, pursuant to certain terms and conditions set forth to Copper Creek in regards to its ability to fund the work program and the filing of a 43-101 report. The Company complied by filing a 43-101 report with the securities regulatory authorities and completing a \$300,000 flow-through financing. The report was prepared by Ed Kruckowski, B.Sc, P.Geo, and can be found at [www.sedar.com](http://www.sedar.com).

## 1.4 **Results of Operations (cont'd)**

During the summer exploration season of 2010, the Company drilled 3,460.86 metres of NQ2 diameter diamond drill core in 11 drill holes on its Bonsai property, 6km southwest of Barrick Gold Corp.'s past producing Eskay Creek mine. Broad areas of disseminated sulphide mineralization were noted in all of these 11 holes. This mineralization can at times be observed over hundreds of meters in drill core. The sulphide mineralization intersected in these drill holes can be directly correlated to the IP charge-ability anomalies that were targeted in that seasons drilling, and can now be traced for 800m in length, and up to 300m in depth.

In 2011, the Company first conducted a detailed soil sampling program adjacent to, and to the east of Hole BZ03-08 that was drilled by St. Andrew's Goldfield Ltd. that intersected 64m of 0.38 g/t gold and 27 g/t silver (see Copper Creek's 43-101 Report by Ed Krushkowski available on Sedar or our website). This soil sampling generated a large soil anomaly, anomalous in Au, Ag, Hg, and As, upslope of this previous drilling.

On August 3, 2011, the Company announced that it had signed a contract to drill its Bonsai property. Commencing in September, 2011, the Company drilled 944 metres of BTW diameter diamond drill core in four holes. The holes were designed to confirm and to test the down dip extension, of Hole BZ03-08. This drilling was very successful as Drill Hole BZ11-13 returned 73m of .58 gpt Gold equivalent (.35 gpt gold and 12.2 gpt silver). The Company, together with Teuton, has expanded the Bonsai claim block, to cover known gossans areas to the north of the original claim block.

In October 2013, a program was undertaken to assay certain core from the 2011 drilling not program previously assayed. No significant assay results were encountered. No further work has been performed on the property.

### **Santa Lucia, Sonora, Mexico**

As of November 22, 2013, due to poor market conditions and inability to raise sufficient funds, the Company relinquished its interest in the Santa Lucia Property. The Company had incurred expenditures of \$612,956 as of December 31, 2014 which was written-off at the year end.

### **Bandit, Smokey and Little Bear properties**

On July 12, 2011, field crews conducted a regional program of prospecting, MMI soil sampling and rock sampling, stream sediment sampling, and geological mapping. A significant 2km X 5Km MMI anomaly was detected on the Bandit property with anomalous in copper, gold, silver, and molybdenum.

Drill depths ranged from 54 meters to a maximum of 116 meters, all which collared within a basalt unit of prior unknown and variable thickness. Drilling was conducted to encounter the directly underlying sedimentary unit inferred to host mineralization which produced the MMI anomalies of the prior surface soil sampling program. Eight of the fifteen holes drilled failed to pierce through the overlying volcanic unit highlighting that the overlying volcanic sequence is in excess of 100 meters of thickness in areas of the property.

On June 5, 2012, the Company entered into an option agreement with Stina Resources Ltd. which allowed Stina to earn a 60% interest in the Bandit property by issuing 400,000 shares of its common stock to the Company over a period of three years, and by expending \$2,000,000 on exploration over a four year period. The Company was the operator of the project for the 2012 exploration season. During the financial year ended December 31, 2012, the Company received 100,000 shares from Stina Resources Ltd. and credited the market value of these shares to the Property's acquisition cost.

#### 1.4 Results of Operations (cont'd)

During the year period ended December 31, 2012, the British Columbia Ministry of Energy and Mines awarded a drilling permit regarding the Company's Bandit property. The Company completed a 15 hole (1,402m) percussion drilling program in the property during the period, which incurred exploration costs of \$273,438 and has been fully recovered from Stina Resources Ltd. For the nine month period ended September 30, 2013, the Company incurred exploration costs of \$4,716 which has been fully recovered from Stina Resources Ltd.

#### Alogo Wells, Coumts. Alberta

Due to poor natural gas market conditions, in 2009 the Company wrote-off its investment in the Alogo Wells, Coumts Project, located in Alberta in the amount of \$1,038,118. Additional closing costs of \$9,160 were written off in 2010. During the year ended December 31, 2011, additional costs of \$70,365 were written off. The Company retains ownership of 50% of the two Alogo Wells and associated leases and will receive 75% of the future revenue until Copper Creek recovers 100% of its expenditures. The operator, Alogo Energy Inc, and Copper Creek will review the economics of tying in these two wells once the market conditions improve for natural gas.

#### 1.5 Summary of Quarterly Results

	Mar 015*	Dec 014*	Sept 014*	Jun 014*	Mar 014*	Dec 013*	Sept 013*	June 013*
Net Sales/ Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Profit (Loss)	(\$88,527)	(\$1,552,405)	(\$58,144)	(\$45,289)	(\$48,978)	(\$677,932)	(\$44,443)	(\$108,903)
Basic and diluted Earnings(Loss) per share	(\$0.01)	(\$0.13)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.05)	(\$0.00)	(\$0.01)

\* - prepared in accordance with IFRS.

For the three months period ended March 31, 2015, total costs incurred were \$88,527 compared to \$48,978 for the same period in 2014. The major increases (decreases) were as follows:

	Costs incurred (\$)	Increase (Decrease) (\$)
Management fee	40,000	25,000
Filing and Transfer Agent Fees	1,182	(4,956)
Office and Miscellaneous	9,141	(146)
Consulting fee	6,000	6,000
Rent	19,500	9,000
Travel, Promotion and Automotive	8,694	4,675

The increase of overheads in the quarter was in-line with Company's forecasts due to change of Management.

During the year ended December 31, 2014, the Company wrote-off total exploration assets of Badgar and Bonsai properties for the amount of \$1,665,237 and unpaid payables of \$170,000.

As at March 31, 2015, \$515,882 was due to related parties.

#### 1.6 Liquidity

At March 31, 2015, the Company had a cash balance of \$69,307 and marketable securities of \$1 compared to a cash deposit balance \$38,142 at December 31, 2014. At March 31, 2015, the Company had working capital (deficiency) of (\$685,895) compared to working capital (deficiency) of \$700,146 at December 31, 2014.

## 1.6 Liquidity (cont'd)

The Company will continue to rely on the raising of funds through private placements and the exercise of warrants to fund its exploration programs and its general working capital requirements.

## 1.7 Corporate

On March 4, 2013 the Company completed a share consolidation on a one (1) post-consolidated share for ten (10) pre-consolidated share basis. The Company's number of outstanding options and warrants and the accompanying exercise prices were consolidated on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these condensed consolidated interim financial statements have been adjusted to include the effect of this share consolidation.

On January 28, 2015, Stanley Loh was appointed to the Board of Directors.

### Stock Options

An aggregate of 30,000 stock options granted to a former director and officer expired in the quarter.

### Financings & Property Acquisitions

On April 10, 2015, the Company announced it had closed a non-brokered private placement financing by the issuance of 6,641,033 units at a purchase price of \$0.06 per unit for gross proceeds of \$398,460. Each unit consists of one common share and one transferable share purchase warrant, each warrant entitling the holder to purchase one common share of the Company on or before October 11, 2016 at a purchase price of \$0.10 per share. A finder's fee of \$480 was paid. All securities pursuant to the private placement are subject to a hold period until August 10, 2015. If, prior to the expiry date of the warrants, and once the warrants are free from the statutory resale restrictions (4 months plus one day ending August 10, 2015), the closing price of the common shares of the Company on the TSX Venture Exchange equals or exceeds \$0.15 for a period of not less than 10 consecutive trading days, the period during which the warrants may be exercised will be reduced (the "Forced Exercise Provision"). In such event, the warrants will expire on the date which is the 31st day after the date on which the Company issues a press release announcing that the Forced Exercise Provision has been triggered. Such press release will set out, among other things, that the Forced Exercise Provision has been triggered, the 10 consecutive trading days for which the closing price of the common shares of the Company was equal to or exceeded \$0.15, and the new expiry date of the warrants.

On November 29, 2013, the Company, by way of a non-brokered private placement, raised \$16,200 through the issuance of 270,000 non-flow-through (NFT) units at a price of \$0.06 per unit. Each NFT unit consists of one common share and one non-transferable share purchase warrant which entitles the holder to purchase one additional common share in the capital of the Company on or before November 29, 2015 at a purchase price of \$0.10 per share.

On November 29, 2013, the Company, by way of a non-brokered private placement, raised \$24,000 through the issuance of 300,000 flow-through (FT) units at a price of \$0.08 per unit. Each FT unit consists of one common share and one non-transferable share purchase warrant which entitles the holder to purchase one additional common share in the capital of the Company at a purchase price of \$0.10 per share if exercised on or before November 29, 2014 and at a purchase price of \$0.12 per share if exercised from November 30, 2014 to November 29, 2015.

## 1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

## 1.9 Transactions with Related Parties

During the three months ended March 31, 2015, the Company incurred the following expenses charged by directors and/or a company controlled by a director:

	<u>Mar 31, 2015</u>	<u>Mar 31, 2014</u>
Management fees	\$40,000	\$ 15,000
Office rent	19,500	10,500
Office and miscellaneous	7,500	7,995
Telephone charges	1,035	678
	<u>\$ 68,035</u>	<u>\$ 34,173</u>

As at March 31, 2015, the Company owed directors and officers of the Company of \$515,882 (2014-\$523,684).

The related party transactions have been recorded at their fair value, which is the amount of consideration established and agreed to by the related parties.

## 1.10 Proposed Transactions and Subsequent Events

Not applicable.

## 1.11 Critical Accounting Estimates

The preparation of financial statements 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 reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of equipment and resource interests, useful lives for depreciation and amortization, and cost allocations to specific projects. Financial results as determined by actual events could differ from those estimates.

## 1.12 Accounting Standards Issues but not yet applied

(i) Effective for annual periods beginning on or after January 1, 2013

### *IFRS 13 Fair Value Measurement*

Defines fair value and sets out a framework for measuring fair value and disclosures about fair value measurements. It applies when other IFRS's require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value.

### *IFRS 10 Consolidated Financial Statements*

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

### *IFRS 11 Joint Arrangements*

IFRS 11 describes the accounting for arrangements in which there is joint control; proportionate consolidation is not permitted for joint ventures (as newly defined). IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities Non-Monetary Contributions by Venturers.

## 1.12 Accounting Standards Issues but not yet applied (cont'd)

### IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

(ii) Effective for annual periods beginning on or after January 1, 2014

### Amendments to IAS 32, *Financial Instruments: Presentation*

IAS 32 clarifies the application of the offsetting rules and requires additional disclosure on financial instruments subject to netting arrangements.

(iii) Effective for annual periods beginning on or after January 1, 2018

### IFRS 9 *Financial Instruments*

The IASB issued IFRS 9, *Financial Instruments*, which will replace IAS 39, *Financial Instrument Recognition and Measurements*, on November 12, 2009. The new standard provides guidance on the classification and measurement of financial asset and financial liabilities. In November 2013, the IASB amended IFRS 9, IAS 39 and IFRS 7, *Financial Instruments: Disclosures*, to include the new hedge accounting requirements. The new amendments do not have a mandatory effective date. The full impact of the changes in accounting for financial instruments will not be known until the IASB's project has been completed.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards could have on future financial statements.

## 1.13 Financial Instruments & Other Instruments

The Company's financial instruments consist of cash, marketable securities, amounts due from related parties, prepaid expenses and accounts payable and accrued liabilities.

The fair value of arms-length financial instruments approximates their carrying value due to their short-term maturity.

The fair value of related party balances cannot be reasonably determined as comparable risk and interest rate profiles are not readily available.

## 1.14 Other MD&A Requirements

Outstanding Share Data:

Authorized: unlimited common shares without par value  
Issued: 11,890,673 - \$12,143,778 as at March 31, 2015

Issued and outstanding:

	Period Ended March 31, 2015		Year Ended December 31, 2014	
	Number		Number	
Balance, beginning of year	11,890,673	\$12,143,778	11,890,673	\$12,143,778
Issued for property acquisition	-	-	-	-
Units under private placement	-	-	-	-
Balance, end of period	11,890,673	\$12,143,778	11,890,673	12,143,778



## **Disclosure Controls and Procedures and Internal Control Over Financial Reporting**

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that:

- (i) the audited annual and unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited annual and unaudited interim financial statements and
- (ii) the audited annual and unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited annual and unaudited interim financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic Certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional information relating to Copper Creek Gold Corp. can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Risk Factors**

Given the Company's current status as an exploration stage company, there are numerous risk factors that could affect the Company's business prospects and future performance, including the following. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also affect the Company's business prospects and future performance.

### *Operating history*

The Company has a limited history of operations and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and an absence of revenues. There is no assurance that the Company will be successful in achieving a return on shareholder investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no intention of paying any dividends in the foreseeable future.

## **Risk Factors (cont'd)**

### *Highly speculative business*

The nature of the Company's business is highly speculative due to its proposed involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Company. The commercial viability of a mineral deposit, if discovered, depends upon a number of factors including the particular attributes of the deposit (principally size and grade), the proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes base metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Company. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production.

### *Insufficient resources or reserves*

Substantial additional expenditures will be required to establish either minerals resources or reserves on the Company's mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

### *Barriers to commercial production*

The Company will rely upon consultants and others for development and operating expertise. The economics of developing mineral properties are affected by many factors including, but not limited to, the cost of operations, grade of ore, fluctuating mineral markets, costs of processing equipment, competition, extensions on licenses and other factors such as government regulations, including regulations relating to title to mineral concessions, royalties, allowable production, importing and exporting of minerals and environmental protection. Many of the above factors are beyond the control of the Company. Depending on the price of minerals produced, the Company may determine that it is impractical to either commence or continue commercial production.

### *Additional capital*

The exploration and development of the properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on a mineral property. The Company will also require additional funding to acquire further property interests. The ability of the Company to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury of the Company, control of the Company may change and security holders would suffer additional dilution.

### *Commodity price and exchange rate fluctuations*

The feasibility of mineral exploration is significantly affected by changes in the market price of the minerals expected to be produced. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of minerals and stability of exchange rates can all cause significant fluctuations in mineral prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

### *Key officers, consultants and employees*

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration and development personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has not purchased any key-man insurance with respect to any of its directors, officers or consultants and has no current plans to do so.

## **Risk Factors (cont'd)**

### *Title*

No assurances can be given that title defects to the properties do not exist. The properties may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. Title to mineral interests in some jurisdictions is often not susceptible to determination without incurring substantial expense. In accordance with industry practice, the Company conducts such title reviews in connection with its properties as it believes are commensurate with the value of such properties. The actual interest of the Company in certain properties may vary from the Company's records.

### *Maintaining interests in mineral properties*

The Company's continuing right to maintain its ownership in its mineral property interests will be dependent upon compliance with applicable laws and with agreements to which it is a party. There is no assurance that the Company will be able to obtain and/or maintain all required permits and licences to carry on its operations. Additional expenditures will be required by the Company to maintain its interests in its properties. There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

### *External market factors*

The marketability and price of minerals which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The Company will be affected by changing production costs, the supply or/and demand for minerals, the rate of inflation, the inventory levels of minerals held by competing companies, the political environment and changes in international investment patterns.

### *Governmental and regulatory requirements*

Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. 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, which may include requirements for the Company to take corrective measures requiring capital expenditures, installation of additional equipment, or other 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 be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of properties.

### *Environmental regulations*

All phases of the Company's operations are subject to environmental regulation. Environmental legislation is becoming stricter, with 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 can be no assurance that environmental regulation will not adversely affect the Company's operations. Environmental hazards may exist on a property in which the Company holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property. The Company has in place a program of regular environmental monitoring to ensure compliance with existing environmental regulations.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards, and enforcement, fines and penalties for non-compliance are more stringent.

## **Risk Factors (cont'd)**

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations in all of the countries in which it is active.

### *Conflicts of interest*

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Canada Business Corporations Act*, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

### *Uninsured risks*

The Company currently has liability insurance in an amount which management considers adequate. However, in the future, the costs of such insurance may become prohibitive. The nature of the risks for mining companies is such that liabilities might exceed policy limits, certain liabilities and hazards might not be insurable, or the Company might, in the future, elect not to insure itself against such liabilities due to high premium costs or other reasons. Should such liabilities occur, the Company would incur significant costs that would have a material adverse effect upon its financial condition.

### *Competition in acquiring additional properties*

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

### *Dividend policy*

No dividends on the common shares of the Company have been paid by the Company to date. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

### *Share Structure*

The Company's authorized capital is an unlimited number of common shares without par value. As at the date of this MD&A there were 18,531,706 shares issued and outstanding. The Company has 7,211,033 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at prices between \$0.10 and \$0.12 per share on or before October 11, 2016. Stock options outstanding total 204,500 and are exercisable for common shares between \$1.00 per share between July 2, 2015 and May 16, 2017.

"Bing Jung"

Bing Jung, Director & CEO

"Gordon Jung"

Gordon Jung, Director