MINERAL HILL INDUSTRIES LTD.

Management Discussion and Analysis

For the Year Ended
December 31, 2013

The following is Management's Discussion and Analysis ("MD&A") of the financial condition of Mineral Hill Industries Ltd. (the "Company" or "MHI") and the financial performance for the year ended December 31, 2013. This discussion and analysis should be read in conjunction with the audited consolidated financial statements and related notes as at, and for the year ended December 31, 2013 and 2012. Reference should also be made to the Company's filings with Canadian securities regulatory authorities, which are available at www.sedar.com.

This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee comprised exclusively of independent directors. The audit committee reviews and prior to its publication, approves, pursuant to the authority delegated to it by the Board of Directors, this disclosure.

All amounts are in Canadian dollars unless otherwise noted and prepared in accordance with International Financial Reporting Standards ("IFRS").

Current market conditions

The recent and current global financial conditions are having a negative impact on the economic environment in which the Company operates. Access to public financing has significantly diminished for junior exploration companies as a direct result. If the current conditions continue, the Company's ability to operate will be adversely impacted and the trading price of the Company's shares could continue to be under a downward pressure.

Overview

MHI is engaged in the acquisition and exploration of natural resource properties. The Company's main focus areas are lithium exploration in Québec and gold exploration in Nevada County, California, US.

The Company incorporated Veritas Resources Corp, ("VRC") a wholly owned subsidiary in Nevada, US and registered VRC in the State of California for the purpose of carrying out exploration work on the Liberty Hill Mine, located in Nevada County, California.

The Company is a reporting issuer in Alberta and British Columbia and its common shares are trading on the TSX Venture Exchange under the symbol "MHI". At April 28, 2014, the Company has 10,099,951 common shares outstanding.

Highlights of Events

The following are highlights of events occurring during the year ended December 31, 2013 and subsequent thereto:

Financing

The Company received advances of $196,000 from Merfin Management Limited ("Merfin"). The $189,210, which consists of business expense payments of $30,719 made by Merfin on behalf of the Company and consulting fee payables of $158,491, was converted to loans from Merfin. Subsequent to December 31, 2013, the Company received an additional $55,000 from Merfin. The promissory notes bear interest at 8.5% per annum.

Lithium Properties

During the year ended December 31, 2013, the Company issued 39,582 common shares, valued at $5,917 and paid $75,000 to the Optionors, with respect to the Athona, Chubb and International Lithium properties in Quebec. These payments were the last payments under the Earn-in-Option agreement between the Company and the Optionors. The Company is now the sole owner of the above properties.

<u>Highlights of Events</u> (continued)

Stock Options

On September 4, 2013, the Company granted 126,250 options at a strike price of $0.10 with two years life, and 794,500 options at a strike price of $0.15 with three years life, to directors, officers and a consultant.

<u>Property overview</u>

Québec Lithium Properties

Mineral: Lithium

The Company filed on February 9, 2010 on Sedar (www.sedar.com) an independent NI 43-101 Technical Report completed by Michel Broily PhD, P.Geo, pertaining to the mineral potential of three lithium and molybdenum properties located in the Abitibi subprovince of Québec and associated with the Preissac-Lacorne Batholith Complex. The Preissac-Lacorne area is a well-known Lithium, Berylium, Tantalium and Molybdenum mining camp characterized by numerous showings exposing granitic pegmatite dykes, albitites and quartz veins. Three former molybdenite mines and one lithium mine, the Quebec Lithium, operated from the 1950 to the1970's.

Chubb Property, Québec

The Chubb Lithium Property, which is located in the Archean Abitibi Greenstone belt in the La Corne Township (NTS sheet 35C05) about 32 km northwest of Val d'Or, Quebec.

The Chubb Property was submitted to ground based magnetic and IP/PP surveys, the latter allowing the identification of six NNW-oriented chargeability anomalies whose surface projections correspond to the broad trend defined by the strike of spodumene-bearing granitic pegmatite dykes. Geochemical sampling of three dykes display variable but generally elevated Li_2O concentrations (0.01-2.84 wt. %; Average: 0.89±0.77 wt. % (n=59). The Main Dyke, which is 300m long, has a somewhat higher average Li_2O concentrations (1.00±0.79 wt. %; n=41) than the other two smaller dykes (0.70±0.66 wt. % (n=8) and 0.56±0.78 wt. % (n=8)).

International Property, Québec

The International Property consists of two main lithium showings: Bouvier and International. It is located in the Saint-Mathieu municipality, Figuery Township and extends 1 km westward form the left bank of the Harricana River, 13 km south of the town of Amos. Magnetic and IP surveys, carried out on the Bouvier showing, identified three NE to EW-oriented chargeability anomalies that display a broad orientation parallel to the general strike of exposed and buried granitic pegmatite dykes. One anomaly overlies new trenches that exposed an EW-oriented spodumene-bearing granitic pegmatite dyke. This dyke reveals variable but generally elevated Li_2O concentrations (0.04-2.91 wt. %; Average: 1.51±0.91 wt. % (n=20)). Results from the International showing pegmatite dyke define variable and moderate Li concentrations (0.01-2.65 Li_2O wt. %; Av: 0.38±68 (n=17).

Athona Property, Québec

The Athona Property comprises 29 mineral claims covering around 1,283 hectares located in the Landrienne Township. In consulting with the geologist who was working on the claims, management decided not to renew certain claims within the Athona Property as they were perceived not to fall within the Company's qualifying criteria. Therefore the Company let 21 mineral claims in this category expired during the year. The remaining claims will be reevaluated during the year 2014 to determine the overall importance of spodumene based on lithium claims and its potential for the future development of industrial demand of lithium. On the remaing Claims some potential for molybdenum was confirmed by the performed assays that included five samples carrying MoS_2 values > 0.25 wt. %, with two samples having greater than 1.69 wt. % MoS_2. Further exploration in the southern part of the property which is more susceptible to contain Li-bearing granitic pegmatite dyke exposures is envisaged.

Canadian and McNeely Property, Québec

The Canadian and McNeely property is located on the contact zone of the Lacorne batholiths, approximately 40 kilometres northwest of the mining town of Val d'Or and approximately 700 metres east-southeast of the old Quebec lithium mine property boundary line. It exhibits the potential to host viable lithium mineralization and add more potential to the other three lithium properties.

The major rock units found on the property are hornblende granodiorite-monzonite, associated with the early-intrusive phase of the Preissac-Lacorne batholith, andesitic to rhyolitic lavas and tuffs (Aurora group), and metasediments (biotite schists) of the Lac Caste group. The lithium mineralization is found in granitic pegmatite dikes, containing spodumene as the economic mineral.

Within the property boundary, there are numerous parallel pegmatite dikes trending east-southeast in the contact area between the metasediments and the intrusives of the Lacorne batholiths. The most important of these are three parallel dikes located on the extreme south of lots 25 to 27. These dikes have northwest strikes and they extend toward the south. Their widths vary from 100 to 300 feet. Spodumene-bearing pegmatite bodies have been discovered in several areas on the property and on all contiguous properties. The Canadian Lithium prospect and its extension are considered the most promising exploration target.

In 1955, Canadian Lithium Co. Ltd. drilled a total of 66 diamond-drill holes in the area of the Canadian Lithium prospect, eight of which are located on claims. Best intersections include: 0.98 weight per cent Li_2O over three metres, 0.48 weight per cent Li_2O over 6.5 metres and 0.51 weight per cent Li_2O over 6.5 metres. The Martin McNeely prospect is located approximately 700 metres directly east of the Canadian Lithium prospect. Spodumene-bearing granitic pegmatite dikes with secondary lepidolite and molybdenite intersect amphibolitized peridotite and mafic-volcanic rocks.

New Lithium Property, Québec

On March 23, 2012, the Company acquired a 100% interest in some claims located northwest of the mining town of Val d'Or in Quebec consisting of 8 registered mineral claims covering approximately 704.64 hectares. These claims are important and complementary to the Company's four other lithium properties in Quebec and will increase Mineral Hill's lithium property holdings to approximately 4,266 hectares and will keep the Company in the forefront of the most significant lithium property holders in Quebec and will also make Mineral Hill's future exploration efforts more cost efficient..

There are no known mineral resources on the property, and there can be no assurance that any mineral resources will be discovered on the properties, and if discovered there is no assurance that any mineralization may be economically extracted. Michel Boily, PhD, PGeo, a qualified person as such term is defined by National Instrument 43-101, has reviewed and approved the technical information on the Québec Lithium properties.

Liberty Hill Mine, Nevada County, California USA ("LHM")

Mineral: Gold

The Company has signed on September 30, 2010 an earn-in option agreement (EIO Agreement) and a joint venture encompassing 127 gold and precious-metal mining claims of the LHM project, located in the Nevada County, California eight miles north east of Dutch Flat, within easy access of I – 80. The LHM project was in production when in 1999, it had to cease due to a litigation which, in 2007, was clarified through the courts. Under the EIO-Agreement, the company is required to raise $1 million toward the acquisition price of the LHM project and $1.5 million toward processing a previous stockpiled bulk sample of 40,000 cubic yards and the preparation for processing of a further 1.4 million cubic yards of previously exposed material within the gold-bearing channel.

Property overview (continued)

Liberty Hill Mine, Nevada County, California USA ("LHM") (continued)

The Company engaged an independent consulting firm of engineers and geologists in California to revise a comprehensive reclamation plan and Plan of Operation for the Liberty Hill Mine for re-filing with the various regulatory agencies in California for review and permitting. The Company continues to make the ongoing property payments to the Californian Governmental Authorities and the onside watchman on behalf of the operator in order to keep the property in good standing.

Results of operations

Year ended December 31, 2013 compared to year ended December 31, 2012.

Net loss and comprehensive loss for the year ended December 31, 2013 was $405,563 (loss per share - $0.04) compared to $456,732 (loss per share - $0.05) for the corresponding period in 2012. Being at the exploration stage, the Company did not generate any revenue from operations. The decrease in loss of $51,169 was mainly attributable to:

1. An increase of $24,840 in interest and bank charges from $1,064 in 2012 to $25,904 in 2013, due to larger amount of loan from Merfin in 2013 compared to 2012.
2. a decrease of $4,548 in insurance from $14,892 in 2012 to $10,344 in 2013, due to the Company business activities reduced and certain insurance became unnecessary in current year;
3. a decrease of $25,479 in investor relations expenses from $48,745 in 2012 to $23,266 in 2013 due to a trade show to potential investors incurred in March 2012 causing higher expense in 2012 and no similar transactions in 2013;
4. a decrease of $10,247 in information and technology services from $12,197 in 2013 to $1,950 in 2012 due to the Company switching from outsourcing IT services to self-management;
5. an increase of $2,959 in office expenses from $12,422 in 2012 to $15,381 in 2013 mainly due to office reallocation expenses incurred in 2013;
6. a decrease of $16,071 in professional fees from $41,271 in 2012 to $25,200 in 2013 due to less business activities causing reduction of accounting and legal fees;
7. a decrease of $3,981 in rent from $56,471 in 2012 to $52,490 in 2013 due to reallocation to new office in December with monthly rent of $520 for the new office;
8. an decrease of $79,577 in salaries and wages from $191,250 in 2012 to $111,673 in 2013 due to less personnel employed in 2013;
9. an decrease in recovery of expenses of $37,402 from related parties from $200,075 in 2012 to $162,673 in 2013 due to decreased services shared to related parties;
10. an decrease of $31,432 in stock based compensation from $89,259 in 2012 to $57,827 in 2013 due to less stock options issued in 2013 and lower value of each option unit;
11. a decrease of $14,956 in transfer agent and filing fees from $28,623 in 2012 to $13,667 in 2013 due to less capital transactions in 2013; and
12. a decrease of $4,688 in travel and promotion from $7,994 in 2012 to $3,306 in 2013 due to less travel of activities in 2013;
13. an increase of $70,158 in bad debt expense from $Nil in 2012 to $70,158 in 2013 due to write off some receivable from related party in 2013.

Selected annual information (audited)

Summary of Annual Results	December 31 2013	December 31 2012	December 31 2011
	$	$	$
Net revenue	-	-	-
Loss from operations			
- in total	(405,563)	(456,732)	(461,267)
- on a per-share basis	(0.04)	(0.05)	(0.12)
- on a diluted per-share basis	(0.04)	(0.05)	(0.12)
Net loss			
- in total	(405,563)	(456,732)	(469,685)
- on a per-share basis	(0.04)	(0.05)	(0.13)
- on a diluted per-share basis	(0.04)	(0.05)	(0.13)
Total Assets	1,012,221	891,990	649,689
Total long-term financial Liabilities	-	-	-
Cash dividends declared per share	-	-	-

Selected Quarterly Information (Unaudited)

Three months ended	**Q4 2012**	**Q3 2013**	**Q2 2013**	**Q1 2013**	**Q4 2012**	**Q3 2012**	**Q2 2012**	**Q1 2012**
Total assets	$1,012,221	$1,053,188	$1,030,900	$970,049	$891,990	$853,185	$916,876	$1,039,669
Exploration and evaluation assets	950,241	942,279	919,820	879,374	814,236	810,900	768,096	736,797
Working capital	(642,727)	(453,613)	(357,661)	(274,237)	(133,317)	(63,192)	65,117	204,261
Shareholders' equity	353,913	501,805	575,491	619,210	695,732	763,553	848,502	954,631
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(164,447)	(114,958)	(44,386)	(81,772)	(97,034)	(109,786)	(139,501)	(110,411)
Earnings (loss) per share	(0.02)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Fourth Quarter Result

During the quarter ended December 31, 2013, the Company incurred a loss of $164,447 compared to a loss of $97,034 for the comparative period. The increase in net loss is attributable to the write off of receivable from related parties.

Significant movements in operating and administrative expenses for the three-month period ended December 31, 2013 include amortization of $1,289 (2012 - $1,030), bad debt expenses of $70,158 (2012 - $Nil), bank charges and interest of $10,487 (2012 - $140), consulting fees of $36,500 (2012 - $36,500), investor relations of $5,374 (2012 - $3,652), office expenses of $5,487 (2012 - $1,894), rent of $9,860 (2012 - $9,238), salaries and wages of $17,670 (2012 - $33,718), stock based compensation $16,555 (2012 - $28,853).

Liquidity

The Company's working capital and deficit positions at December 31, 2013 and December 31, 2012 were as follows:

		December 31 2013 (audited)		December 31 2012 (audited)
Working capital (deficit)	**$**	**(642,727)**	$	(133,317)
Deficit	**$**	**(16,590,224)**	$	(16,184,661)

The balance of cash and equivalents available at December 31, 2013 was $10,965, with a working capital deficit of $642,727.

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada has experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Capital Resources

At December 31, 2013, there were 10,099,951 (2012: 10,060,369) common shares without par value, and a consolidated deficit of $16,590,224 (2012: $16,184,661), resulting in a shareholder's equity of $353,913 (2012: $695,732).

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations and Deficit included in its audited consolidated financial statements for the years ended December 31, 2013 and 2012 which are available on SEDAR at 'www. SEDAR .com'.

Related Party Transactions

During the year ended December 31, 2013, the Company entered into the following transactions with related parties.

Key management personnel compensation

The remuneration of key management personnel during the years ended December 31, 2013 and 2012 were as follows:

	Note		December 31 2013		December 31 2012
Consulting fees and salaries	(i)	**$**	**220,126**	$	209,698
Stock based compensation	(ii)	**$**	**14,838**	$	89,259

(i) The Company paid or accrued consulting services for $110,000 (2012: $109,243) to Merfin, a private company controlled by the Chief Executive Officer. At December 31, 2013 amounts of $Nil (December 31, 2012: $41,067) were included in accounts payable and accrued liabilities. 60% of the consulting fees to Merfin are reimbursed from related parties as proportion of the overall administrative services the Company provides to related companies with common directors. The Company paid or accrued consulting services for $30,000 (2012: $31,500) to Infogen Research & Consulting Limited ("Infogen"), a private company controlled by a related party. At December 31, 2013 amounts of $Nil (December 31, 2012: $12,818) were included in accounts payable and accrued liabilities. During the year ended December 31, 2013, the Company also paid salaries of $80,134 (2012: $100,455) to the Chief Financial Officer. See also note on recovery of expenses below.

(ii) Stock based payments are the fair value of options granted to the Chief Executive Officer and the Chief Financial Officer, which vest partly on grant date and partly on the first and second anniversaries of the grant date.

Other related party transactions

During the year ended December 31, 2013,

(i) the Company charged, as a recovery of expenses, Golden Dawn Minerals Inc., Nass Valley Gateway Ltd., and Kirkland Precious Metals Corp., companies related by common directors and officers, a total amount of $162,673 (2012: $200,075) with respect to shared costs relating to salaries and office expenses; and

(ii) the following were receivable from companies which are related by common directors:

	December 31 2013	December 31 2012
Island Gateway Ltd.	**$ 405**	$ 405
Nass Valley Gateway Ltd.	**16,605**	25,638
Kirkland Precious Metals Corp.	**17,539**	20,328
	$ 34,549	$ 46,371

Advances received from related party

During the year ended December 31, 2013, the Company received advances of $196,000 (2012: $40,000) from Merfin and converted accounts payable of $189,210 (2012: $Nil) into loans. The promissory notes bear interest at 8.5% per annum. As at December 31, 2013, an amount of $21,690 (2012: $Nil) was accrued as interest. The loan is due on the earlier of May 31, 2014 or the date of completion of a financing of a minimum of $700,000. Subject to regulatory approval, the loan may be converted into common shares at the option of the Company.

During the year ended December 31, 2013, the Company received an advance of $10,000 (2012: $Nil) from Knight Castle Mercantile Inc., a private company controlled by a director. The promissory note bears interest at 8.5% per annum. As at December 31, 2013, an amount of $540 (2012: $Nil) was accrued as interest. The loan is due at the date of completion of financing of a minimum of $400,000. The loans are convertible into common shares of the Company at the option of the lender, subject to regulatory approval. The Company calculated the fair value of the convertible feature at $Nil.

During the year ended December 31, 2013, the Company converted accounts payable of $55,028 due to Infogen (2012: $Nil) into loans due to Infogen. The promissory notes bear interest at 8.5% per annum. Subsequent to December 31, 2013, the Company received an additional advance of $3,173. As at December 31, 2013, an amount of $2,593 (2012: $Nil) was accrued as interest. There is no specific maturity date. Subject to regulatory approval, the loan may be converted into common shares at the option of the Company.

Directors and Officers

Dieter Peter	President, CEO and Director
Andrew H. von Kursell	Director, Chair of Audit Committee
Rafael Pinedo	Director, member of Audit Committee
Grant A Hendrickson	Director
David Jackson	Director, member of Audit Committee
Dennis McKnight	Director (appointed on March 27, 2013)
Michael Zhu	Chief Financial Officer

Outstanding Share Data as at April 28, 2014

	Number outstanding	Exercise Price*	Expiry Date
Common shares	10,099,951		
Common shares issuable on exercise:			
Warrants**	1,547,463	$ 1.20	July 14, 2014
Warrants**	125,000	$1.20	April 13, 2015
Warrants**	3,048,750	$0.30	December 14, 2015
Warrants**	2,912,500	$0.35	February 1, 2014
Share options	609,500	$0.16	June 27, 2015
Share options	45,000	$0.16	June 27, 2015
Share options	126,250	$0.10	September 4, 2015
Share options	794,500	$0.15	September 4, 2016

* As of date
** Equivalent of warrants to purchase one common share

Future Developments

The Company will continue to pursue the development of its projects and its efforts to secure further natural resource opportunities with its business alliance partners.

The Company will be pursuing its exploration work on the lithium properties in Québec and the Liberty Hill Mine in California.

Risks and Uncertainties

The Company is engaged in the exploration of mineral deposits. The Company's financial success will be dependent upon the discovery or acquisition of mineral resources and mineral reserves. These activities involve significant risks which are even with careful evaluation, experience and knowledge may not, in some cases, be eliminated.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that have not been listed:

- The high degree of volatility in the prices of metal commodities;
- The demand of commodities can be dependent on global consumption;
- An increasing competition to acquire mineral properties throughout the world;
- No assurance about the economic viability, it is speculative;
- Geology is a field subject to different interpretations that could affect the success of any exploration and development program;

Risks and Uncertainties (continued)

- Exploration and access to the property can be restricted by unexpected and unusual weather conditions such as floods, forest fires, blockades or other natural and environmental occurrences, which are beyond the Company's control;
- Additional costs can be incurred such as availability of experts, work force and equipments;
- Additional expenditures will be required to establish resources or reserves on mineral properties, if indeed resources or reserves exist on the properties;
- The rights to the mineral properties must be maintained in accordance with various regulations and agreements;
- There are various government and environmental regulations that must be followed by the Company, which are changing constantly and renewal of permits from Provincial and State territory, First Nations and Village governments.

Financial Instruments

The Company's financial instruments consist of cash and equivalents, marketable securities, receivables, due from related parties, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents, marketable securities, receivables and due from related parties. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash and equivalents and marketable securities with high-credit quality financial institutions.

Amounts due to and from related parties are discussed in Note 7 of the financial statements.

Currency risk

The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada and globally have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Interest rate risk

The Company normally invests in short-term interest bearing financial instruments. There is a minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificate included in cash and equivalents as they are currently held in large financial institutions.

Critical accounting estimates

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as expenses.

(i) *Stock Based Compensation*
The Company uses the Black-Scholes option pricing model to determine the fair value of awards for stock options granted to employees, officers, directors and consultants and the pricing of share purchase warrants. These estimated are based on historical information and accordingly cannot be relied upon to predict the future behavior. These estimates are set out in Note 8(c) in the financial statements

(ii) *Financial Instruments*
The carrying values of the financial instruments have been estimated to approximate their respective fair values.

Forward-looking statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Certain forward looking information should also be considered future-oriented financial information ("FOFI") as that term is defined in NI 51-102. The purpose of disclosing FOFI is to provide a general overview of management's expectations regarding the anticipated results of operations and capital expenditures. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. These forward-looking statements are set forth principally under the heading "Property Overview" and elsewhere in Management's Discussion and Analysis and may include statements regarding perceived merit of properties; mineral reserve and resource estimates; capital expenditures; feasibility study results, exploration results at the Company's property; budgets; work programs; timelines; strategic plans; market price of precious and base metals; or other statements that are not statement of fact. The material factors or assumptions used to develop forward-looking statements include prevailing and projected market prices and foreign exchange rates, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions and as more specifically disclosed throughout this document. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and its subsidiaries may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

Forward-looking statements (continued)

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in fluctuations in gold, lithium and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and First Nations in the exploration and development of the property and the issuance of required permits; the need to obtain additional financing to develop the property and uncertainty as to the availability and terms of future financing; the possibility of delay in

exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risks and uncertainties disclosed in the Company's other information released by the Company and filed with the applicable regulatory agencies.

You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at April 28, 2014.

"Dieter Peter"
On behalf of the Board
Dieter Peter
Chief Executive Officer
April 28, 2014