MINERAL HILL INDUSTRIES LTD.

Management Discussion and Analysis

For the Year Ended
December 31, 2014

Management's discussion and analysis of financial results
For the year ended December 31, 2014
Containing information up to and including April 28, 2015

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, 2014. 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, 2014 and 2013. 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. The majority of the audit committee is comprised of independent directors who 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, USA.

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, 2015, the Company has 10,821,246 common shares outstanding.

Highlights of Events

The following are highlights of events occurring during the year ended December 31, 2014 and subsequent thereto:

In a news release on Nov 17, 2014 the Company announced the extension of its business by joining a worldwide leader in the development of green energy through the acquisition of certain corporate entities and IP properties of the Avis Energy Group pending the execution of the definitive agreement and completing its due diligence. The Company has signed a comprehensive Letter of Intent ("LOI") and all parties are presently engaged in completing the due diligence.

Overall Performance

Financing

Since February management received verbal commitments from overseas and domestic investors for participation in a proposed private placement but the company was not able to close any equity funding due to the reluctance of investors to sign the final subscription agreement caused by the volatility of the gold market and the HUI- Index performance. In order to support the Company in its effort to meet its basic commitments, Merfin Management Limited ("Merfin") provided cash advances of $122,500 and paid business expense payments of $28,494 made by Merfin on behalf of the Company but suspended the contracted future consulting fees to Merfin subsequent to February 1, 2014 until a financing is completed. The still outstanding consulting fees to Merfin of $9,625 were added to the overall loans from Merfin. All loans to the Company's lenders bear a monthly compounded interest rate of at 8.5% per annum.

Due to insufficient funds to do exploration on its Lithium properties during the year ended December 31, 2014 the Company decided to impair the properties and record it as impairment of assets. The claims are still held under the Company's name and exploration is still considered once funding can be obtained.

PROPERTY OVERVIEW

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 expire 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.

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.

Due to not having sufficient funding for exploration no work was performed on any of the properties. The Company therefore decided to impair all 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 Interstate-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.

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 onsite watchman on behalf of the operator in order to keep the property in good standing.

The Company engaged Dr. Stewart Jackson in 2013, a Qualified Person compliant with National Instrument 43-101, to complete a technical report on the Company's Liberty Hill Mine project in California and filed the NI 43-101 technical report on SEDAR on September 20th, 2013. The NI 43-101 report addresses the company's Liberty Hill Mine gold project in California.

In August the Company paid the annual fees to the Nevada County on behalf of the Company's joint venture partner in order to keep the project in good standing. These annual payments will be repaid by the joint venture partner once the mine commences production again.

As at December 31, 2014 the earn-in option agreement is still in good standing.

Stock Options

On November 27, 2014 the Company granted 578,675 options at a strike price of $1.00 with a two year life to directors, officers and a consultant.

<u>Results of operations</u>

Year ended December 31, 2014 compared to year ended December 31, 2013.

Net loss and comprehensive loss for the year ended December 31, 2014 was $1,044,082 (loss per share - $0.10) compared to $405,563 (loss per share - $0.04) for the year ended 2013. Being at the exploration stage, the Company did not generate any revenue from operations. The increase in loss of $638,519 was mainly attributable to:

1. an increase of $29,138 in interest and bank charges from $25,904 in 2013 to $55,042 in 2014, due to larger amount of loan from Merfin in 2014 compared to 2013.
2. a decrease of $7,686 in insurance from $10,344 in 2013 to $2,658 in 2014, due to the reduced Company's business activities and certain insurance becoming unnecessary in the current year;
3. a decrease of $133,833 in consulting fees from $146,000 in 2013 to $12,167 in 2014, due to the agreement of Infogen Research Limited ("Infogen") and Merfin Management Limited ("Merfin") that any payments due under the related agreements will be halted until such time sufficient funds are raised to start the exploration work on the LHM-Project.
4. a decrease of $46,497 in rent from $52,490 in 2013 to $5,993 in 2014 due to the Company's reallocation to a new office with a lower monthly rent;

5. a decrease of $67,988 in salaries and wages from $111,673 in 2013 to $43,685 in 2014 due to less personnel employed in current period;
6. a decrease of $147,511 in recovery of expenses from $162,673 in 2013 to $15,162 in 2014 mainly due to less administration services performed to related companies;
7. a decrease of $2,907 in professional fees from $25,200 in 2013 to $22,293 in 2014;
8. an increase of $87,892 in stock based compensation from $57,827 in 2013 to $145,719 in 2014 mainly due to the grant of 721,295 bonus shares to Merfin Management Ltd for having provided cash contributions to the Company since September 2012 to enable it to meet its minimum administrative obgligations and required fees to regulatory bodies;
9. an increase of $685,072 in impairment of assets from $Nil in 2013 to $685,072 in 2014 due to the impairment of all lithium properties;
10. an increase of $42,421 in loss on settlement on receivable from $Nil in 2013 to $42,421 in 2014 due to a settlement of accounts receivable with Nass Valley Gateway Ltd and Kirkland Precious Metals Corp.

Selected annual information

Summary of Annual Results	December 31 2014	December 31 2013	December 31 2012
	$	$	$
Net revenue	-	-	-
Loss from operations			
- in total	(1,044,082)	(405,563)	(456,732)
- on a per-share basis	(0.10)	(0.04)	(0.05)
- on a diluted per-share basis	(0.10)	(0.04)	(0.05)
Net loss			
- in total	(1,044,082)	(405,563)	(456,732)
- on a per-share basis	(0.10)	(0.04)	(0.05)
- on a diluted per-share basis	(0.10)	(0.04)	(0.05)
Total Assets	357,851	1,012,221	891,990
Total long-term financial Liabilities	-	-	-
Cash dividends declared per share	-	-	-

Selected Quarterly Information

Three months ended	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**
Total assets	357,851	1,152,749	1,067,028	$1,030,570	$1,012,221	$1,053,188	$1,030,900	$970,049
Exploration and evaluation assets	305,273	986,713	960,906	956,959	950,241	942,279	919,820	879,374
Working capital	(848,625)	(698,604)	(769,279)	(713,335)	(642,727)	(453,613)	(357,661)	(274,237)
Shareholders' equity	(524,450)	316,569	270,030	306,469	353,913	501,805	575,491	619,210
Revenue	Nl	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(893,394)	(28,830)	(62,992)	(58,866)	(164,447)	(114,958)	(44,386)	(81,772)
Earnings (loss) per share	(010)	(0.00)	(0.00)	(0.00)	(0.02)	(0.01)	(0.00)	(0.01)

Fourth Quarter Result

During the quarter ended December 31, 2014, the Company incurred a loss of $893,394 compared to a loss of $164,447 for the comparative period.

Significant movements in operating and administrative expenses for the three-month period ended December 31, 2014 include amortization of $679 (2013 - $1,289), bank charges and interest of $15,316 (2013 - $10,487), consulting fees of $Nil (2013 - $36,500), investor relations of $5,478 (2013 - $5,374), office expenses of $3,373 (2013 - $5,487), rent of $1,310 (2013 - $9,860), salaries and wages of $Nil (2013 - $17,670), stock based compensation $122,534 (2013 - $16,555), loss on settlement of receivable of $42,421 (2013 - $Nil). Impairment of assets of $685,071 (2013 - $Nil).

<u>Liquidity</u>

The Company's working capital and deficit positions at December 31, 2014 and December 31, 2013 were as follows:

	December 31 2014		December 31 2013
Working capital (deficit)	**(848,625)**	**$**	**(642,727)**
Deficit	**(17,634,306)**	**$**	**(16,590,224)**

The balance of cash and equivalents available at December 31, 2014 was $10,197, Marketable Securities valued at $21,875 with a working capital deficit of $848,625.

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, 2014, there were 10,821,246 (2013: 10,099,951) common shares without par value, and a consolidated deficit of $17,634,306 (2013: $16,590,224), resulting in a shareholder's equity of ($524,450) (2013: $353,913).

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, 2014 and 2013 which are available on SEDAR at 'www. SEDAR .com'.

Related Party Transactions

During the year ended December 31, 2014, 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, 2014 and 2013 were as follows:

	Note		**December 31 2014**		December 31 2013
Consulting fees and salaries	(i)	**$**	**55,852**	$	220,126
Stock based compensation	(ii)	**$**	**131,489**	$	14,838

(i) The Company paid or accrued consulting services for $9,167 (2013: $110,000) to "Merfin", a private company controlled by the Chief Executive Officer. At December 31, 2014 amounts of $Nil (December 31, 2013: $Nil) were included in accounts payable and accrued liabilities.. The Company paid or accrued consulting services for $3,000 (2013: $30,000) to Infogen Research & Consulting Limited ("Infogen"), a private company controlled by a related party. At December 31, 2014 amounts of $Nil (December 31, 2013: $Nil) were included in accounts payable and accrued liabilities. During the year ended December 31, 2014 the Company also paid salaries of $43,685 (2013: $80,134) 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, 2014

(i) the Company charged, as a recovery of expenses, Nass Valley Gateway Ltd., and Kirkland Precious Metals Corp., companies related by common directors and officers, a total amount of $15,162 (2013: $162,673) 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 2013
Island Gateway Ltd.	**$**	**405**	$	405
Nass Valley Gateway Ltd.		**4,638**		**16,605**
Kirkland Precious Metals Corp.		**4,379**		**17,539**
		9,422	**$**	**34,549**

In September 2014 Mineral Hill Industries' Board of Directors approved a settlement which saw the Company receive 2,189,080 common shares of Kirkland Precious Metals Corp. as payment of $109,454 owed. $70,158 of the $109,454 had previously been recorded as bad debt resulting in a net amount of $39,296. Kirkland Precious Metals Corp is a reporting company but its shares are not being traded yet. The share based fair value of the shares is deemed to be $Nil and therefore the ACB of the shares is $Nil with the result that $39,296 was recorded as loss on settlement of receivables. On December 29, 2014 the Board of Directors also approved a settlement which saw the Company receive 312,500 shares of Nass Valley Gateway Ltd. as payment of $25,000 owed. The closing price of the shares at the issuance date was $0.07 and therefore the ACB of the shares is $21,875 with the result that $3,125 was recorded as loss on settlement of receivables.

Advances received from related party

During the year ended December 31, 2014, the Company received advances of $122,500 (2013: $196,000) from Merfin and converted accounts payable of $28,494 (2013: $30,179) into loans. The promissory notes bear interest at 8.5% per annum. As at December 31, 2014 an amount of $69,589 (2012: $21,691) was accrued as interest. The loan is due on the date of completion of a financing of a minimum of $800,000. Subject to regulatory approval, the loan may be converted into common shares at the option of the "Merfin".

During the year ended December 31, 2014, the Company received an advance of $Nil (2013: $10,000) from Knight Castle Mercantile Inc., a private company controlled by a director at the time of the loan granted. The promissory note bears interest at 8.5% per annum. As at December 31, 2014 an amount of $1,469 (2013: $540) 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, 2014 the Company converted accounts payable of $3,173 due to Infogen (2013: $55,028) into loans due to Infogen. The promissory notes bear interest at 8.5% per annum. As at December 31, 2014 an amount of $7,905 (2013: $2,593) 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.

The Company agrees to pay the lenders the bonus permitted by TSX Venture Exchange policies on the date the loans are repaid. The bonus shall be paid in cash, shares, warrants or a combination at the election of the lenders. In November, 2014 the Company's Board of Directors approved to issue 721,295 bonus shares valued at $100,981 to Merfin Management Limited for having provided cash contributions since September 2012 to Mineral Hill Industries so it could meet its minimum administrative obligations and required fees to regulatory bodies.

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
Eric Peter-Kaiser	Director, member of Audit Committee (elected November 27, 2014)
Milo Filgas	Director (elected November 27, 2014)
Andrew H. von Kursell	Interim Chief Financial Officer

Outstanding Share Data as at April 28, 2015

	Number outstanding	Exercise Price*	Expiry Date
Common shares	10,821,246		
Common shares issuable on exercise:			
Warrants**	3,048,750	$0.30	December 14, 2015
Share options	609,500	$0.16	June 27, 2015
Share options	81,250	$0.10	September 4, 2015
Share options	749,500	$0.15	September 4, 2016
Share options	578,675	$1.00	November 27, 2016

** Equivalent of warrants to purchase one common share
*** expired unexercised subsequent to the year ended December 31, 2014.

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;
- 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 equipment;

- 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(b) 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.

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 on 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 on 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, 2015.

"Dieter Peter"
On behalf of the Board
Dieter Peter
Chief Executive Officer
April 28, 2015