BENZ CAPITAL CORP.

Management's Discussion and Analysis

For the three and six months ended October 31, 2013 and 2012
(Expressed in Canadian dollars)

December 13, 2013

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The following management's discussion and analysis of financial conditions and results of operations (the "MD&A"), has been prepared by management and provides a review of the activities, results of operations, and financial condition of Benz Capital Corp. (the "Company" or "Benz Capital"). This discussion dated December 13, 2013 complements and supplements the Company's unaudited condensed interim financial statements and associated notes for the three and six months ended October 31, 2013 and 2012, and should be read in conjunction with the audited annual financial statements for the year ended April 30, 2013. Please also refer to the cautionary statement of forward-looking information at the end of this document.

All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") and reported in Canadian dollars unless otherwise noted. Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.

1. COMPANY OVERVIEW

Benz Capital is an exploration and development stage company existing under the *Canada Business Corporations Act*. It was incorporated under the laws of the Province of British Columbia on November 9, 2011. The Company completed an initial public offering and commenced trading on the TSX Venture Exchange (the "TSX-V" or "Exchange") on September 18, 2012 and was originally classified as a Capital Pool Company ("CPC") as defined in the TSX-V Listings Policy 2.4. The activities of the company were initially limited to the efforts to identify and evaluate the acquisition of assets and business, which would represent a "Qualifying Transaction" for regulatory purpose. On April 10, 2013 the Company successfully completed a "Qualifying Transaction" by acquiring an option to acquire up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property.

2. INITIAL PUBLIC OFFERING

On September 18, 2012 the Company completed its initial public offering (the "Offering") of 2,500,000 common shares at a price of $0.10 per Common Share for gross proceeds of $250,000. In connection with the IPO, the Company issued compensation options to its agent to acquire an aggregate of 250,000 Common Shares at an exercise price of $0.10 per Common Share. The compensation options will expire on September 17, 2014. The agent also received a cash commission equal to 10% of the gross proceeds of the IPO.

On closing of the IPO, the Company also granted options to acquire an aggregate of 550,000 Common Shares at an exercise price of $0.10 per option to the directors and officers of the Company. Such options expire five years from the date of grant.

3. QUALIFYING TRANSACTION

On April 10, 2013, the Company closed its purchase of an option to acquire up to an undivided 100% interest in and to certain mineral leases in the Yukon Territory known collectively as the Eagle Property (the "Option Purchase"). The Option Purchase constitutes the Company's "Qualifying Transaction" under the policies of the TSX-V.

As consideration for the Option Purchase, Benz has paid to Avaron Mining Corp. (“Avaron”) a cash payment of $25,000 and issued 400,000 of its common shares. Additionally, Benz also issued 50,000 common shares to Avino Silver & Gold Mines Ltd (“Avino”) as consideration for Avino's consent to the Option Purchase, as required under the terms of the Option Agreement.

The terms of the Option Agreement allow Benz to exercise the Option to acquire a 75% interest in the Eagle Property by making cash payments to Avino in an aggregate amount of $350,000, issuing a total of 500,000 common shares and either completing drilling on a total of 35,000 metres in depth or incurring cumulative exploration expenditures of $7,100,000 on the Eagle Property all over a five year period. Upon acquisition of a 75% interest, Benz will have the option to acquire an additional 25% interest in the Eagle Property or form a joint venture with Avino for the further exploration and development of the Eagle Property.

Avaron is a private junior mining company incorporated under the laws of British Columbia. The Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. As a result, the Option Purchase constitutes a related party transaction.

Please refer to the Company’s audited annual financial statements for the year ended April 30, 2013 for further information.

4. RESULTS OF OPERATIONS

Benz’s principal asset is the Eagle Property, a silver-lead vein-type prospect with associated gold, zinc and indium located in the historic Keno Hill region of Canada’s Yukon Territory. Benz has acquired an option to earn up to 100% interest in the property by completing the option purchase and assignment agreement with Avaron and Avino.

Drill Program at Eagle Property

The Eagle vein has displayed a consistent and predictable structure that has at least a 900 metre strike length and extends to the 300 metre depth. High-grade intercepts in the widely spaced drilling indicates the presence of several "ore shoots" that require additional drilling to define.

Based on historical findings, the Company decided to attempt to delineate the vein and potential ore shoots through diamond drilling. If successful, the program may confirm the previously highlighted potential for extensive mineralization and would positively delineate the economic potential in the area. Kluane Drilling Ltd., a local company, was contracted to conduct the diamond drilling program that started on July 22, 2013.

In September, 2013 the Company received assay results from the 2013 diamond drill program completed on the Eagle Property located on the southeastern flank of Galena Hill in central Yukon. The purpose of the drilling was to confirm grades reported by past operators. Benz completed two diamond drill holes to a combined depth of 450m on the Property. Both diamond drill holes EAG-13-01 and EAG-13-02 intersected polymetallic Ag-Pb-Zn ± Au, Indium veins which were intended to test the best historic intercept to date from diamond drill hole 64-23 which intersected 7,625 gpt Ag, 1.2% Pb over a 1.2 m interval.

Drillhole EAG-13-01 was intended to step out slightly from vertical diamond drill hole 64-23 and was drilled at an 85° angle from the same drill pad. The hole intersected 0.75m of 8.29% Zn, 204 gpt (7.20 ozpt) Ag and 55.18 gpt (1.95 ozpt) Indium.

Drillhole EAG-13-02 was drilled to step out from DDH 64-23 and was drilled 20° east of diamond drill hole EAG-13-01 at a 70° angle. The hole intersected 435 gpt (15.34 ozpt) Ag, 18.8% Zn, 238.1 gpt (8.40 ozpt) Indium and 0.42 gpt Au.

Tabulated Drill Highlights:

Drillhole	From (m)	To (m)	Interval (m)	Ag (g/t)	Ag (oz/t)	Pb %	Zn %	In (g/t)	In (oz/t)	Au (g/t)
EAG-13-01	168.48	169.23	0.75	204	7.20	0.56	**8.29**	55.18	**1.95**	0.03
EAG-13-01	169.23	170.73	1.50	226	7.97	0.67	3.41	18.08	0.64	0.06
EAG-13-01	170.73	172.35	1.62	133	4.69	0.49	**6.23**	35.22	1.24	0.06
EAG-13-01*	180.90	182.30	1.40			0.08	**6.70**	65.82	2.32	**0.12**
EAG-13-02	123.95	124.20	0.25	**435**	**15.34**	7.76	**18.80**	**238.14**	**8.40**	**0.42**
EAG-13-02	129.10	130.37	1.27	188	6.63	1.71	2.21	6.78	0.24	0.01
EAG-13-02	129.10	130.37	1.27	185	6.53	1.78	2.24	7.24	0.26	0.02
EAG-13-02	130.37	130.87	0.50			0.05	2.63	22.93	0.81	**0.09**

***Denotes average of two samples (duplicate sample analyzed).**

NB- The reported intersections are drilled thicknesses and are believed to represent approximately 70 to 100% true widths.

Benz employs a rigorous QA/QC protocol on all aspects of sampling and analytical procedure including insertion of blank, duplicate, and standard reference samples. Drill core is checked, logged, marked for sampling, and split in half whereby half is sent for analysis and half is kept for future reference. Drill core samples were shipped to ISO Certified AcmeLabs at Whitehorse, Yukon for preparation, and 53-element ICP analysis and fire-assay completed at the AcmeLabs facility in Vancouver, British Columbia. Samples are further analyzed employing the appropriate methodology for over-limit analyses of silver (Ag), gold (Au), lead (Pb), zinc (Zn), and indium (In).

Mr. Miloje Vicentijevic, P.Eng., M.Eng., a qualified person under National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and CEO of the Company, reviewed and approved the scientific and technical disclosure in this MD&A.

5. REVIEW OF FINANCIAL RESULTS

Summary of Quarterly Results

	Oct. 31, 2013	Jul. 31, 2013	Apr. 30, 2013	Jan. 31, 2013	Oct. 31, 2012	Jul. 31, 2012	Apr. 30, 2012	Jan. 31, 2012
Interest Income	545	634	415	325	210	32	30	3
Net loss	(46,808)	(136,480)	(58,949)	(77,137)	(52,483)	(4,410)	(6,759)	(2,721)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.02)	(0.04)	-	-	-

**Company was incorporated on November 9, 2011. First reported financial statements were on April 30, 2012*

Three months ended October 31, 2013 and 2012.

During the three months ended October 31, 2013, the Company had a net loss of $46,808 compared to a net loss of $52,483 for the quarter ended October 31, 2012. The difference resulted from a reduction in share-based payments and office expenses of $35,245 offset by an increase in management fees of $29,220 (2012 - $Nil).

Six months ended October 31, 2013 and 2012.

During the six months ended October 31, 2013, the Company had a net loss of $183,288 compared to a net loss of $56,893 for the six ended October 31, 2012. The net loss was significantly higher due to the commencement of exploration and evaluation activities at the Eagle Property, including drilling and exploration expenses of $98,244 (2012 - $Nil) and management fees of $47,220 (2012 - $Nil). The additional costs were offset by a reduction in share-based payments and office expenses of $18,665.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern. The Company's future liquidity will depend upon its ability to develop and finance future profitable business opportunities. Until this is achieved the ability of the Company to meet its financial liabilities and commitments is primarily dependent upon the continued issuance of equity to new or existing shareholders. There is no assurance that the Company will be able to obtain further funds required for its continued working capital requirements. As at October 31, 2013 the Company had cash and cash equivalents of $313,461 and working capital of $322,358.

	Oct. 31, 2013	Jul. 31, 2013	Apr. 30, 2013	Jan. 31, 2013	Oct. 31, 2012	Jul. 31, 2012	Apr. 30, 2012
Cash and cash equivalents	313,461	418,870	487,780	320,387	400,984	94,083	118,682
Working Capital	322,358	361,752	483,831	317,143	393,792	93,903	113,394

**Company was incorporated on November 9, 2011. First reported financial statements were on April 30, 2012*

The changes in both cash on hand and working capital are primarily due to exploration and evaluation expenditures as discussed in the previous section, and financing and investing activities as detailed below.

Investing Activities

Six months ended October 31, 2013
There were no investing activities during the six months ended October 31, 2013

Year ended April 30, 2013

On April 11, 2013, The Company closed its purchase of an option to acquire up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property (the "Option Purchase"). The option purchase constitutes the Company's "Qualifying Transaction" under the policies of the TSX-V.

As consideration for the Option Purchase, Benz made cash payment of $25,000 and issued 450,000 of its common shares. Please refer to Note 5 of the audited annual financial statements for the year ended April 30, 2013, for further information.

Financing Activities

Six months ended October 31, 2013
There were no financing activities during the six months ended October 31, 2013

Year-ended April 30, 2013
On April 26, 2013, the Company closed a non-brokered private placement issuing 1,000,000 units at a price of $0.25 per common share for gross proceeds of $250,000. Each unit consists of one common share and one half of one non-transferable common share purchase warrant. Each common share purchase warrant is exercisable for a term of 24 months into one common share at a price of $0.35 until April 26, 2015. Of this amount, $34,483 was attributable to common share purchase warrants, which has been recorded in contributed surplus.

On October 18, 2012, the Company closed a non-brokered private placement issuing 799,952 common shares at a price of $0.15 per common share for gross proceeds of $119,993.

On September 18, 2012, the Company completed its IPO issuing 2,500,000 common shares at a price of $0.10 per common share for gross proceeds of $250,000.

The Company paid a cash commission equal to 10% of the applicable gross proceeds of the IPO ($25,000) and issued compensation options to purchase common shares of the Company equal to 10% of the common shares sold through the IPO (250,000). Each compensation option is exercisable at a price of $0.10 per share and entitles the holder to one common share until September 17, 2014. During the year ended April 30, 2013, 93,000 compensation options were exercised at $0.10 per share for gross proceeds of $9,300.

Off-Balance Sheet Arrangements

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

Related Party Transactions

During the six months ended October 31, 2013 and 2012 the Company engaged in the following related party transactions with key management personnel.

	October 31, 2013	October 31, 2012
Salaries, bonuses, fees and benefits		
Management fees to the CEO and CFO of the Company	$ 47,220	$ -
Legal fees to a law firm of which a Director is Principal	945	1,372
Share-based payments		
Officers and directors of the Company	7,459	33,000
	$ 55,624	$ 34,372

At October 31, 2013, the Company was indebted to a law firm of which a Director of the Company is Principal for $115 (October 31, 2012 - $Nil), representing legal fees; and to officers and directors of the Company in the amount of $360 (October 31, 2012 - $Nil) for management services. The balances owing are unsecured, non-interest bearing and due on demand.

The option purchase agreement between Benz and Avaron Mining Corp. constitutes a related party transaction. The Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. Please see Note 5 of the April 30, 2013 audited annual financial statements for further details.

Proposed Transactions

There are no proposed transactions.

Commitments

Under the terms of the Option Agreement on the Eagle property the Company is required to incur $100,000 of exploration expenditures on or before January 3, 2014. During the period ended October 31, 2013 the Company incurred $98,244 on exploration expenditures at the Eagle Property.

Changes in Accounting Policies

There are no changes in accounting policies.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the six months ended October 31, 2013.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. 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. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Additional Disclosure for Venture Issuers without Significant Revenue

Detail regarding material items within general and administrative expenses has been provided throughout this document.

Outstanding Shares

Authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

As at December 13, 2013, the Company had the following issued and outstanding common shares and unexercised stock options, warrants and agent compensation options:

	Shares and Potential Shares
Common shares outstanding	7,842,952
Stock options (weighted average exercise price $0.14)	784,000
Agent compensation options (exercise price $0.10)	157,000
Warrants (exercise price $0.35)	500,000
Total common shares and potential common shares	9,283,952

A total of 2,475,000 common shares are held in escrow. These shares are subject to an escrow agreement in accordance with the Exchange Policy 2.4. On closing of the Qualifying Transaction 10% of these shares were released. The remaining shares will be released in six equal tranches of 15% every six months following the closing of the Qualifying Transaction for a period of 36 months.

7. RISKS AND UNCERTAINTIES

Our business, operating, and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing our Company. Additional risks not presently known, or that Benz currently deems immaterial, may also impair our business operations. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

The following is a description of certain risks and uncertainties that may affect the business of the Company.

Limited Operating History

Benz is a relatively new company with limited operating history and no history of business or mining operations, revenue generation, or production history. Benz was incorporated on November 9, 2011, and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development, and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature, and there can be no assurance that any minerals discovered will be discovered in sufficient quantities to warrant commercial exploitation. The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development, and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding, and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial Capital Requirements and Liquidity

Substantial additional funds will be required and there can be no assurances given that the Company will be able to raise the necessary funds. To meet such funding requirements, the Company may undertake additional equity financing which would be dilutive to shareholders. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to discontinue operations.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical, and other resources than the Company, for, among other things, the acquisition of minerals claims, leases, and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. Benz will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Fluctuating Mineral Prices and Marketability of Minerals

The market price of any mineral is volatile and affected by many factors beyond the Company's control, including but not limited to: international supply and demand, consumer product demand levels, international economic trends, commodity prices, operations costs, variations in mineral grade, fluctuations in the market price of minerals, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events, and international events as well as a range of other market forces. Depending on the price of certain minerals, the Company may determine that it is impractical to continue its mineral exploration or development operations, if any. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by the Company. The marketability of minerals is affected by factors such as government regulation of mineral prices, royalties, allowable production, and the importation and exportation of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of minerals found, if any, on the Eagle Property.

No Mineral Reserves or Mineral Resources

The Eagle Property is considered to be in the early exploration stage only and does not contain a known body of commercial minerals.

Environmental Risks

All phases of the mining business present environmental risks and hazards, and are subject to environmental regulation pursuant to a variety of international conventions, local laws, and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that operations be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards, and occupational health, mine safety, toxic substances, and other matters, including issues affecting local First Nations populations. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The Business Corporations Act of British Columbia (“BCBCA”) provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Markets for Securities

There can be no assurance that an active trading market in the Company’s shares will be established and sustained. The market price for the Company’s shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Company's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company’s shares. The Company does not intend to maintain insurance against environmental risks.

First Nations

The Eagle Property may cross or abut lands which are subject to ongoing claims and treaty negotiations among native groups and various levels of government. There is a risk that the development of the Eagle Property could give rise to actions by aboriginal groups to disrupt operations. This would increase costs and curtail the development of the Eagle Property.

8. RECENT ACCOUNTING PRONOUNCEMENTS

The following IFRS standards have been recently issued by the International Accounting Standards Board (“IASB”). The Company is assessing the impact of these new standards, but does not expect them to have a significant effect on the financial statements.

IFRS 10 – Consolidated Financial Statements

IFRS 10 establishes the principles for the presentation and preparation of financial statements when an entity controls one or more other entities. IFRS 10 changed the definition of control such that the same criteria are applied to all entities to determine control. IFRS 10 supersedes all of the guidance in IAS 27 Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities.

IFRS 11 – Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-monetary Contributions.

IFRS 12 – Disclosure of interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.

IFRS 13 – Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value that is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 27 – Separate Financial Statements

As a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

IAS 28 – Investments in Associates and Joint Ventures

As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provided the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.

IAS 1 – Presentation of Financial Statements

In June 2011, the IASB issued an amendment to IAS 1, which requires entities to separately present items in other comprehensive income based on whether or not they may be recycled to profit or loss in future periods.

IFRIC 20 – Production Stripping Costs

In October 2011, the IASB issued IFRIC 20 Stripping Costs, which requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved.

IAS 32 – Financial Instruments: Presentation

In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

Management does not expect that the adoption of these standards and interpretations will have a significant effect on the financial statements of the Company other than additional disclosures.

The following standard will be effective for the Company's annual periods beginning on May 1, 2015:

IFRS 9 – Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

Management has not yet completed its process of assessing the impact that IFRS 9 will have on the Company's financial statements or whether to early adopt this requirement.

9. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

10. CRITICAL JUDGEMENTS AND ESTIMATES

The financial statements are prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The critical judgment that the Company's management has made in the process of applying the Company's accounting policies that has the most significant effect on the amounts recognized in the Company's financial statements is related to the assumption that the Company will continue as a going concern.

For a summary of significant accounting policies, please refer to Note 3 of the annual financial statements for the year ended April 30, 2013. Management believes it has made estimates that best reflect the facts and circumstances, however, actual results may differ from estimates.

11. APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

12. FORWARD LOOKING INFORMATION

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of December 13, 2013. Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving the Company. Particularly, statements regarding our future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what we currently expect. Forward-looking information contained in this MD&A is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, except as required by law.