REPORT FOR THE NINE MONTHS ENDED FEBRUARY 28, 2015
MANAGEMENT DISCUSSION AND ANALYSIS

Forward-Looking Information and Material Assumptions

This report on results for the nine months ended February 28, 2015 contains forward-looking information including forward-looking information about Bonterra Resources Inc. (the "Company" or "Bonterra")'s operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management's Discussion and Analysis (MD&A) of the financial condition, results of operations and cash flows of the Company for the nine months ended February 28, 2015 should be read in conjunction with the condensed consolidated interim financial statements as at February 28, 2015. This MD&A is effective April 29, 2015. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed consolidated interim financial statements for the nine months ended February 28, 2015 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 ("IAS 34"), as issued by the International Accounting Standards Board ("IASB").

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the Province of British Columbia on May 1, 2007. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. The Company is currently focusing its financial resources on conducting exploration programs. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

On September 2, 2014, the Company consolidated its common shares on a one new share for twenty old shares basis. All share and per share amounts have been revised to reflect the consolidation.

The Board of Directors consists of: Nav Dhaliwal, Robert Gagnon, Robert Bryce and Joseph Meagher.

Nav Dhaliwal
Position: President & Chairman of the Board of Directors

Mr. Dhaliwal is a mining executive with several years experience at nurturing early stage companies through their critical phases of evolution, having founded a number of companies over his career. Mr. Dhaliwal is also experienced in corporate development, corporate communications and investor relations, bringing valuable business relationships with international analysts, brokers and investment bankers from Canada, the United States and Asia.

Robert Gagnon
Position: Director

Mr. Gagnon earned a Mining Techniques Diploma from the Collège de la région de l'Amiante in 1995 and a Bachelor of Geology from the University of Quebec in Chicoutimi in 1999. He has been a member in good standing of the Ordre des géologues du Québec since 2002, a member of the Board of Directors of the Quebec Mineral Exploration Association since 2009, and President of the Association des prospecteurs du Nord du Québec since 2012.

Robert Bryce, P. Eng., MBA
Position: Director

Mr. Bryce has in excess of 40 years of practical and executive mining experience at all levels. From 1975 to 1990 he led the Selbaie project from an advanced exploration project through feasibility into a 7500 tpd producing mine. From 1990 to 1994 Mr. Bryce was VP Mining for Aur Resources where he led the $280M construction and development of the 400 tpd Louvicourt Cu-Zn-Au mine near Val d'Or, Quebec. Mr. Bryce founded Abitex Resources in 1996, presided over the company until 2007, and continues to serve as a director of the company. He serves on the boards of directors and advisory boards of several listed junior resource companies, including Metanor Resources and Eagle Hill Resources, both of which are active in the Barry - Windfall area where Bonterra is presently concentrating its efforts.

P. Joseph Meagher, CA
Position: Chief Financial Officer and Director

Mr. Meagher is a director at Triumvirate Consulting Corp., a financial consulting firm. He specializes in financial management, accounting and financial reporting under both IFRS and ASPE. Prior to joining Triumvirate, Mr. Meagher worked at Smythe Ratcliffe LLP as a manager focusing on publicly listed and private company audits as well as staff training and development. He was a member of Smythe Ratcliffe's IFRS conversion team as well as a technical reviewer for complex accounting topics. Mr. Meagher holds a CA designation and a Bachelor of Commerce.

R. Dale Ginn
Position: Director

Mr. Ginn is an experienced mining executive and geologist of nearly 30 years. He is the founder of two exploration and mining companies and has led and participated in numerous gold and base metal discoveries, many of which are in production today. While specializing in complex, structurally-controlled deposits, he also has extensive mine-operations, development and startup experience. Mr. Ginn is recognized as an advocate of First Nations and local community participation in mining and exploration. Mr. Ginn is a registered professional geologist in Manitoba and Ontario and is a graduate of the University of Manitoba.

On August 13, 2014, Mr. Hans John Rasmussen resigned as a Director of the Company.

On October 30, 2014, Mr. P. Bradley Kitchen resigned as Chief Executive Officer and Director.

On December 30, 2014, Mr. J. Casey Forward resigned as Chief Financial Officer and Director.

On December 30, 2014, Mr. P. Joseph Meagher was appointed as Chief Financial Officer and Director.

On March 19, 2015, Mr. R. Dale Ginn was appointed as a Director of the Company.

EXPLORATION PROJECT – GLADIATOR PROJECT (formerly EASTERN EXTENSION and URBAN BARRY)

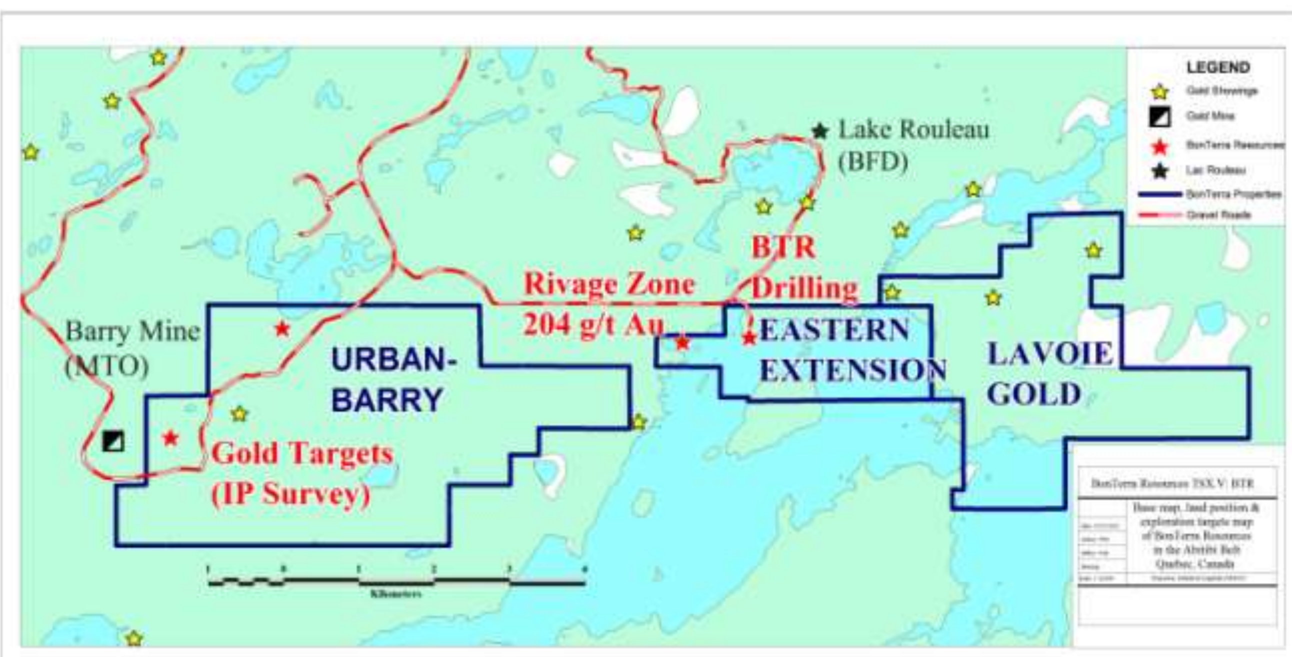
The Company is focused on continuing to expand the drill defined gold zones on its Eastern Extension properties, part of the world famous Abitibi Greenstone Belt in mining friendly Quebec. Bonterra has a total of three gold properties in the Urban-Barry belt, the Eastern Extension, Lavoie and Urban-Barry properties which are located approximately 170 km NE of Val-d'Or and 125 km SW of Chibougamau in the Urban, Barry and Bailly townships in Québec.

(i) Urban Barry (Windfall Lake)

The Company acquired a 100% interest in 95 claim blocks in Quebec near Windfall Lake at a cost of $20,000 (paid), the issuance of 1,000,000 common shares to the vendors and 108,800 common shares to a finder (issued) and incurring $140,000 of exploration expenditures (incurred). The shares were valued at $155,232 based on the market value of the shares on share issue date. The property is subject to a 2% net smelter returns royalty of which 0.5% can be purchased by the Company for $1,000,000. Bonterra has filed assessment work and the claims are now all good until 2016.

In addition the Company purchased a 100% interest in 27 mineral claims located in the James Bay area in Quebec. The aggregate consideration is $3,900 (paid) and 2,000,000 common shares (issued). The fair value of the shares was $360,000 based on the market value of the shares on the share issue date. During the year ended May 31, 2013, the James Bay area claims were not renewed.

The Urban-Barry Greenstone Belt hosts significant gold mineralization in several parallel NE to SW trending zones. Gold in the Urban-Barry Township is primarily associated with quartz-carbonate veins mineralized with sulphides. The Urban-Barry property is situated between Metanor Resources' Barry Mine and Bonterra's flagship property, the Eastern Extension. Bonterra has drilled three holes, conducted ground and airborne magnetic surveys as well as a prospecting program on the Urban-Barry property. Bonterra Resources plans on conducting an IP survey on the western portions of the property.



(ii) Eastern Extension

On September 15, 2010, the Company entered into an option agreement to acquire 100% interest in 23 additional mineral claims adjacent to the Urban Barry claims in Quebec. To earn an initial 50% interest in the claims, the Company must issue a total 1,250,000 common shares (issued 500,000, balance of shares to be issued at the rate of 250,000 per year for three years), and make a cash payment of $10,000 (paid) and incur total exploration expenditures of $750,000 over four years. To earn a 100% interest in the claims, the Company must issue an additional 100,000 shares and make a further cash payment of $100,000 within two years of effective date. The agreement is subject to a 2% NSR of which 1% can be purchased for $500,000. A finder's fee of 56,890 shares was paid in connection with this acquisition.

On March 19, 2012 the Company agreed to a further amendment to the option agreement dated September 15, 2010 as amended February 8, 2011 resulting in the issuance of 1,750,000 common shares to acquire 100% ownership of the properties. The amended aggregate consideration is now $10,000, 1,750,000 common shares and $750,000 in exploration expenditures (of which $10,000 have been paid, 1,750,000 common shares issued and $750,000 incurred in exploration expenditures). The company has completed the acquisition and owns 100% subject to the NSR above.

On October 25, 2013 the Company entered into an agreement to sell a 1% net smelter return interest in the Eastern Extension property to Gold Royalties Corporation (TSX-V: GRO). The Company received 1,000,000 common shares of GRO on November 7, 2013. 500,000 of the common shares are held in trust until September 8, 2014. The Company recorded share consideration of $325,000 based on the trading price of the GRO shares on November 7, 2013 against the carrying amount of the exploration and evaluation assets.

Geological Characteristics of the Gold Bearing Veins on the Eastern Extension

On July 27, 2012 the Company filed a technical report pursuant to National Instrument 43-101 ("NI 43-101") entitled "*Bonterra Resources Inc.: Eastern Extension Property Project No. V1216 NI43-101 Technical Report*" dated July 26, 2012 (the "Report") prepared by Abolfazl Ghayemghamian, MSc, P.Geo., APEGBC, Senior Consultant and Walter A. Dzick, B.Sc. (Geology), M.B.A, CPG #11458, MAusIMM, MAIPG, Principal Consultant with Snowden Mining Industry Consultants Inc. ("Snowden"). Both authors of the Report are independent of Bonterra and are Qualified Persons as defined by NI 43-101.

The purpose of the Report was to provide a resource estimate for the Eastern Extension Property (the "Property") which is located approximately 170 kilometers northeast of Val d'Or, Quebec in the Urban-Barry belt, and to support Bonterra's news release dated June 13, 2012 which disclosed that, using a 1.0 g/t cut-off grade, the Property contains an inferred gold resource of 4,337,000 tonnes, grading 3.53 g/t for 492,000 ounces.

The Report includes all work Bonterra has completed on the Property up until the end of 2011. Of a total of 21,559.50 metres of drilling completed by Bonterra to date, only 15,642.60 metres of this is included in the resource estimate. This 15,642.60 metres was drilled on the Property in 2010 and 2011 in 49 drill holes which averaged 319 metres in length. In addition to this 15,642.60 metres of drilling, historical drilling by Xemac resources was also used. Xemac drilled 59 holes totaling 8,727 metres in 1997, 1998, 2000 and 2001. After hitting significant gold at depths of approximately 600 metres**,** management believes there is significant down-dip potential. This assertion is further strengthened by the fact that the veins are vertical to sub-vertically dipping.

In addition to Bonterra's inferred resource estimate on the Property, Eagle Hill Exploration Corporation ("Eagle Hill") has defined inferred mineral resources and indicated mineral resources on its Windfall Lake Property which is also in the Urban-Barry belt and is located approximately 8 kilometers north of the Property. Eagle Hill disclosed in its news release dated July 25, 2012 that, using a 3.0 g/t of gold cut-off grade, the Windfall Lake Property contains an indicated gold resource of 538,000 ounces (1,665,000 tonnes

@ 10.05 g/t of gold) and an inferred resource of 822,000 ounces (2,906,000 tonnes @ 8.76 g/t). Eagle Hill's disclosure in its July 25, 2012 news release updates the disclosure in its November 2011 technical report which is referenced in the Report. Results obtained on the Windfall Lake Property are not necessarily indicative of results on the Property. Based on, among other things, the Report and the results reported in Eagle Hill's public disclosure, management believes that the Urban-Barry gold camp is an area of merit.

The inferred mineral resource at the Property that is disclosed in the Report was prepared using the following steps: compilation and verification of drillhole data, including independent data verification, and database verification (data validation was undertaken by Snowden); analysis of drillhole sample QAQC data; verification of Bonterra geology and mineralization models against drillhole information; coding of drillhole data within mineralized estimation domains; sample length compositing; analysis of extreme data values and application of top cuts, where necessary; exploratory analysis of gold grades within mineralized estimation domains; variogram analysis; creation of block models and application of density values; estimation of gold grades into blocks using ordinary kriging; validation of estimated block grades against input sample composite grades; confidence classification of estimates with respect to CIM guidelines; and resource tabulation and reporting.

A Vulcan block model with cell dimensions of 2 metres (X), 2 metres (Y), 2 metres (Z) was coded to reflect surface topography, syenite porphyry dykes, and the quartz vein domain solids.

Gold grades were estimated from 1 metre length weighted composites into the interpreted mineralized blocks by ordinary kriging using parameters established from analysis of the variography within each domain. Based on the variographic analysis, search ellipses were created to enable a three pass approach, to interpolate gold grades into the blocks. The minimum and maximum numbers of composites were set to 2 and 12 per block, respectively. A top cut of 58 g/t Au was applied. Discretization was set to 2 x 2 x 1. A density of 2.78 g/cc was assigned to the mineralized veins based on 10 measurements of specific gravity performed by Bonterra.

Visible gold in the drill core from the Eastern Extension property.

Snowden has applied an inferred classification to all blocks in the mineral resource. Snowden has not classified any measured blocks after considering the relatively short ranges of gold grade continuity, the current drill hole spacing, the relatively high nugget environment, and use of assigned densities.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. Estimates are rounded since the figures are not precise calculations. Mineral resource estimates are reported for the Property above a range of Au cut-off grades (see Table 1-1 of the Report). To date, no analysis has been made to determine the economic cut-off grade that will ultimately be applied to any mineral resources. As stated in the Report, management is not aware of any legal, political, environmental, or other risks that could materially affect the potential development of the inferred mineral resource.

On September 27, 2012 the Company announced receiving gold assays for two holes, BA-12-12 ("Hole 12") and BA-12-14 ("Hole 14"), from the Rivage Zone on its Eastern Extension property. Hole 12 was the highlight as this drill hole hit the target Rivage Vein as well as four additional veins. The best drill core sample of the Rivage Vein assayed 23.30 g/t over 1.0 metre. Bonterra discovered the Rivage in 2011. The Rivage is characterized by a series of parallel veins mineralized with sulphides and often visible gold.

Highlights of assay results for the Rivage Vein include 23.3 g/t over 1.0 metre at 50 metres vertical depth in Hole 12 as disclosed in this news release, 204.0 g/t in a surface chip sample taken from the discovery outcrop as previously disclosed in the Company's news release dated October 4th, 2011 and 220.0 g/t over

1.0 metre at 200 metres in vertical depth in BA-12-10 ("Hole 10") as previously disclosed in the Company's news release dated May 10th, 2012. When reviewing results for Hole 10 and Hole 12, gold grades seem to increase with depth. Bonterra intercepted the high grade Rivage Vein and four other parallel veins in Hole 12 which is encouraging for the Company. Significant drill results from Hole 12 are shown in Table 1 with the collar details shown in Table 2.

Table 1: Significant drill results (down hole depths)

Drill Hole Number	From (metres)	To (metres)	Length (metres)	Gold Grade (g/t)
BA-12-12	54.00	55.00	1.00	23.30
BA-12-12	176.00	177.00	1.00	2.42
BA-12-12	202.00	203.00	1.00	3.74
BA-12-12	277.00	278.00	1.00	2.16
BA-12-12	300.00	301.00	1.00	2.74
BA-12-14	No Significant Values			

On June 12, 2013 the Company announced it had submitted samples from three drill holes to ALS Laboratories ("ALS") in Val d'Or, Quebec from the Company's flagship Eastern Extension Property (the "Property"). Two of these three holes were drilled into the Peninsula Zone to test continuity of veins hosting high grade nearby while the final hole was drilled at the Rivage Zone.

On February 9, 2015, the Company announced results from one of the three holes, BA12-07. Results for holes BA12-09 and BA12-11 are still pending as reassaying of its existing core is needed to comply with QA/QC protocols. The Company expects to receive the results soon and will issue a press release once it does. One of the key targets for both holes BA12-07 and BA12-09 is a high-grade quartz vein/structure. BA12-07 returned values of 3.07 g/t Au over 5.0 m (101.0 to 106.0 m), which included 10.75 g/t Au over 1.0 m. The hole intersected the main NE-SW gold bearing structure identified by Bonterra during previous drilling campaigns, as expected. This hole is 120.0 meters along strike from BA11-23 (42.60 g/t over 1.30 metres) and BA11-26 (10.19 g/t over 2.60 metres), which returned similar values. This intercept is associated with a sheared felsic intrusives with numerious quartz-pyrite-tourmaline veinlets.

The sample results disclosed above are taken from mineralized intervals of the drill holes. Depths and lengths are core lengths and are not true widths and possibly down dip at times or otherwise non perpendicular. Samples of these mineralized intervals were clearly marked, normally one metre in length. Assay samples are taken from drill core, sawed in half along the core axis. One half is sent to ALS and the other half retained by the Company for future reference. BonTerra retains coarse rejects and pulps in a secure facility. The Company applies a full quality assurance and quality control program (QAQC) system for every batch of samples submitted to the lab (gold standard, field sample duplicate and blank). Samples were sawed in the field at the Bonterra exploration camp, labeled and put in clearly marked sample bags. Once this was complete the samples were submitted to ALS for crushing, and pulverizing. ALS is independent of the Company and is certified by the Standards Council of Canada. The samples crushed to 70% passing 2 mm and split to 1 kg. The crushed sample is then pulverized to 85% passing 75 mm. Fifty gram samples are fire assayed with an AAS finish. All samples assaying greater than 10 g/t gold are then reassayed with a gravimetric finish and by metallic screen with a fire assay finish.

(iii) Lavoie Property acquisition - adjacent to Eastern Extension

On December 30, 2010, the Company closed and received approval from the TSX Venture Exchange for a property purchase agreement entered into on December 10, 2010 to acquire 100% interest in 57 mineral claims east of the Urban-Barry Township in Quebec. The Company must issue a total 2,000,000 common shares (issued) and make cash payments of $35,000 (paid). The agreement is subject to a 2% NSR of which 1% may be purchased for $1,000,000.

The Lavoie Gold property is contiguous and along strike with the Eastern Extension property. This property was drilled in the past where gold bearing veins were intercepted. The Company has conducted the first phase of exploration on the property, a ground magnetic survey. An anomaly of interest runs NE-SW and warrants further investigation. Due to this fact, Bonterra conducted a large ground based magnetic survey on the Lavoie property in March of 2011. It appears targets from the Eastern Extension continue onto the Lavoie property. This survey reinforced the historical data. The next step is to conduct a prospecting program followed up by localized IP surveys to further define drill targets on the property. Bonterra has filed assessment work and the claims are now all good until November 2014.

EXPLORATION PROJECT – ZACATECAS NORTH PROPERTY (SYMPHONY)

By an asset purchase agreement dated April 30, 2008 and amended May 30, 2008 between Symphony Resources Ltd. ("Symphony") and the property's vendor, Symphony purchased an undivided 100% interest in 18 mineral claims located adjacent to the Silver Queen mine property in central British Columbia, Canada, referred to as the Zacatecas North Property. In consideration for the claims, Symphony paid $10,000 in cash and issued 500,000 of its common shares with an estimated fair value of $0.125 per share to the vendor.

On May 26, 2009, through the completion of the share exchange transaction, the Company acquired all of the issued and outstanding shares in the capital of Symphony from the Symphony shareholders in exchange for the issuance, by the Company, of 10,000,000 common shares to the Symphony shareholders and an additional 850,000 common shares for finder's fees, all of which were capitalized as exploration and evaluation assets. The shares issued had a fair value of $0.46 per share resulting in $4,991,000 being capitalized as exploration and evaluation assets.

During the year ended May 31, 2010, the Company reduced the mineral claims to 6 claims.

On August 11, 2011 the Company announced it had retained Fugro Airborne Surveys to conduct an aeromagnetic survey over the entire Symphony Property ("the Property"). The Property is situated in the Omineca mining division approximately 29 kilometres southwest of Houston, British Columbia. The Symphony property is accessed by a well-maintained forestry road that is situated just east of Owen Lake. The Property comprises one contiguous block of claims totaling 2975 hectares. Bonterra recently staked additional claims to consolidate its land position situated in between the Silver Queen Mine to the south and the Silver Streak property to the north. Directly bordering the Property to the south is the past producing Silver Queen Mine. Historical ore grades are 8.72 opt (299 grams / tonne) silver, 0.18 opt (6.17 g/t) gold, 6.73% zinc, 1.16% lead, and 0.47% copper.

The Silver Queen property is currently being advanced by New Nadina Explorations. New Nadina has intersected silver, gold and base metal mineralization on the property. They have completed an aeromagnetic and ZTEM survey, a titan geophysical survey and diamond drilling. Drilling revealed grades of up to 493.5 g/t silver, 5.06 g/t gold, 13.5% zinc, 6% lead and 2.88% copper. The mineralized trend has a general southeast to northwest trend, the direction towards which Bonterra's Symphony property is situated.

The Silver Streak property is situated to the north of the Symphony property. Trenching on the Silver Streak identified significant mineralization which included 1.99% Cu and 338 g/t Ag over 33 meters. An inclined diamond drill hole was drilled underneath this trench in 1991. A zone grading 8.8 meters of 0.49% copper and 258 g/t silver, within 21.1 meters averaging 0.27% copper and 127 g/t silver was discovered. Another trench excavated in 2002 graded 0.26% copper and 1.91 g/t Ag over 16.7 meters. The mineralized zone is believed to have a NW-SE strike, the general direction of Bonterra's Symphony property.

Bonterra's airborne survey will total 308 line kilometres of magnetic readings. The Company plans on using this survey to identify additional targets of interest on the property in its evaluation for silver and base metal mineralization potential on the Property. Fugro Airborne Surveys is the global leader in providing airborne and ground based geophysical surveys. Fugro collects, processes and interprets geophysical data for clients in the mining, petroleum, engineering and environmental sectors.

During the year ended May 31, 2013, the Company decided not to pursue this property and wrote off the capitalized costs of $5,782,342. The remaining $1 was written off during the year ended May 31, 2014.

SELECTED ANNUAL INFORMATION

	May 31, 2014	**May 31, 2013**	**May 31, 2012**
Revenue	$NIL	$NIL	$NIL
Operating loss	(537,538)	(6,771,966)	(2,782,706)
Net loss and comprehensive loss for the period	(564,783)	(6,771,966)	(2,782,706)
Basic and diluted loss per share	(0.11)	(1.54)	(0.76)
Total assets	6,083,013	6,540,853	12,220,687
Total current liabilities	1,094,846	1,192,688	739,964

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized as follows:

For the Quarter Periods Ending on	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
Administration expense	$405,494	$323,648	$130,419	$48,979
Other (income) loss	2,053,201	99,662	10,119	100,543
Net loss before tax for the period	2,458,695	423,310	140,538	149,522
Net loss per share	0.35	0.09	0.02	0.03
Total assets	6,149,804	6,108,999	6,096,696	6,083,013
Total current liabilities	354,877	1,282,606	1,199,322	1,094,846

For the Quarter Periods Ending on	February 28, 2014	November 30, 2013	August 31, 2013	May 31, 2013
Administration expense	$174,858	$100,553	$112,613	$(10,821)
Other (income) loss	0	(8)	-	5,749,939
Net loss before tax for the period	174,858	100,545	112,613	5,739,118
Net loss per share	0.04	0.02	0.02	1.18
Total assets	6,244,903	6,288,915	6,415,096	6,540,853
Total current liabilities	1,094,904	964,058	959,694	1,192,688

OPERATIONS

For the Three Months Ended February 28, 2015

During the three months ended February 28, 2015 the Company reported a net loss of $2,458,695 compared to a net loss for the three months ended February 28, 2014 of $174,858. Variations in expenses from the three months ended February 28, 2015 to the three months ended February 28, 2014 are as follows:

- Consulting fees of $111,250 (2014 - $53,500) increased as the Company engaged additional consultants to assist with the restructuring and financing in 2014;
- Management fees of $37,694 (2014 - $30,000) were higher in 2014 as the Company had both a President and a CEO in 2014, whereas there was just one position in 2013. As of October 31, 2014, the Company returned to just one position;
- Office and general decreased from $13,279 in 2014 to $8,783 as a result of cost cutting measures;
- Professional fees decreased from $24,582 in 2014 to $16,702 due primarily to the timing of the audit fees expense, offset by an additional charge in 2015;
- Share-based payments were $111,594 in 2015 (2014 - $nil) as options were granted in 2015, not in 2014;
- The Company incurred costs of $71,719 in shareholder communications and investor relations as compared to $1,274 in 2014. The Company began to restructure and pursue financing in 2015, whereas the Company was less active and had limited funds to spend in 2014;
- Transfer agent and filing fees of $21,245 (2014 - $10,342) were higher as activity picked up in 2015; and
- Loss on settlement of payables of $2,053,201 (2014 - $nil) was the result of 7,607,668 common shares issued by the Company for debt settlement agreements with a group of creditors. The agreements were done on the basis of $0.10 per common share. When ultimately issued, the value of the Company's common shares was $0.37.

Additionally the company had other comprehensive income of $6,060 (2014 - $nil) related to the fair value adjustment on the GRO shares at period-end.

For the Nine Months Ended February 28, 2015

During the nine months ended February 28, 2015 the Company reported a net loss of $3,022,543 compared to a net loss for the nine months ended February 28, 2014 of $388,016. Variations in expenses from the nine months ended February 28, 2015 to the nine months ended February 28, 2014 are as follows:

- Consulting fees of $236,740 (2014 - $101,414) increased as the Company engaged additional consultants to assist with the restructuring and financing in 2015;
- Management fees of $168,194 (2014 - $90,000) were higher in 2015 as the Company had both a President and a CEO in 2015, whereas there was just one position in 2014. As of October 31, 2014, the Company returned to just one position;
- Office and general decreased from $36,345 in 2014 to $14,336 as a result of cost cutting measures;
- Professional fees were similar year to year;
- Rent of $34,489 (2014 - $65,940) was lower as the Company moved to a new office;
- Share-based payments were $132,534 in 2015 (2014 - $nil) as options were granted in 2015, not in 2014;
- The Company incurred costs of $185,720 in shareholder communications and investor relations as compared to $17,093 in 2014. The Company began to restructure and pursue financing in 2015, whereas the Company was less active and had limited funds to spend in 2014;
- Realized loss on marketable securities of $109,781 (2014 - $nil) was the result of selling GRO shares below the market price at the date the agreement with GRO was signed for the NSR sale; and

- Loss on settlement of payables of $2,053,201 (2014 - $nil) was the result of 7,607,668 common shares issued by the Company for debt settlement agreements with a group of creditors. The agreements were done on the basis of $0.10 per common share. When ultimately issued, the value of the Company's common shares was $0.37.

Additoinally the company had other comprehensive income of $102,144 related to the fair value adjustment on the GRO shares at period-end and the transfer of other comprehensive losses previously recognized on the sale of GRO shares during the nine months ended February 28, 2015. During the nine months ended February 28, 2014, the Company had other comprehensive loss of $30,000 related to the fair value adjustment on the GRO shares at period-end.

LIQUIDITY AND CAPITAL RESOUCES

The Company’s cash at February 28, 2015 was $195 compared to $2,050 at May 31, 2014. The working capital deficiency was $181,613 at February 28, 2015 compared to $951,009 at May 31, 2014.

For the nine months ended February 28, 2015

During the nine months ended February 28, 2015, the Company sold 536,500 common shares of GRO for proceeds of $110,184. The Company recorded a realized loss on sale of $109,781.

The sale of GRO shares helped the Company maintain its day-to-day operations for the period. At February 28, 2015, the Company had a remaining commitment to incur exploration expenditures in relation to its 2013 and 2012 flow-through share financings of $510,062. As of the date of this MD&A, the flow-through funds were not spent. The Company will be required to pay penalties on the unspent flow-through funds.

On December 22, 2014, the Company completed a non-brokered private placement for gross proceeds of $617,500. The Company issued 6,175,000 units at a price of $0.10 per unit. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.20 per share on or before December 22, 2016. The Company paid finder's fees and other costs in relation to the private placement of $8,687 and issued 25,000 agent's warrants with a value of $1,639 (note (13(c)). Each agent's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 per share on or before December 22, 2016.

On February 18, 2015, the Company issued 7,607,668 common shares with a value of $2,814,837 as part of a payables settlement agreement with a group of creditors. The amount of indebtedness that was settled with the transaction was $757,915.

During the nine months ended February 28, 2015, the Company issued 979,000 common shares for proceeds of $170,975 on the exercise of 979,000 stock options. The fair-value of the stock options of $41,478 was transferred to share capital from share-based payments reserve upon exercise.
On March 1, 2015, the Company received $40,500 on the exercise of 150,000 stock options.

In order to address the existing working capital deficiency, fund operations for the 2015 fiscal year and continue work on the Gladiator Project, the Company will need additional financing. The Company is actively evaluating sources of financing, including additional private placements, but there is no guarantee that financings will be available.

For the year ended May 31, 2014

On June 25, 2013, the Company completed a non-brokered private placement for gross proceeds of $250,000. The Company issued 4,000,000 flow-through units and 1,000,000 non-flow-through units at a price of $0.05 per unit. Each flow-through unit consisted of one flow-through common share of the Company and half of one share purchase warrant. Each non-flow-through unit consisted of one non-flow-through common share of the Company and half of one share purchase warrant. Each whole warrant entitles the holder to acquire one non-flow-through common share of the Company at an exercise price of $0.10 per share on or before June 25, 2014. The Company paid commissions and other costs in relation to the private placement of $45,215 and issued 200,000 agent's warrants with a value of $1,863. Each agent's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.10 per share on or before June 25, 2014.

On October 25, 2013 the Company entered into an agreement to sell a 1% net smelter return interest in the Eastern Extension property to Gold Royalties Corporation (TSX-V: GRO). The Company received 1,000,000 common shares of GRO on November 7, 2013. 500,000 of the common shares are held in trust until September 8, 2014. The Company recorded share consideration of $325,000 based on the trading price of the GRO shares on November 7, 2013 against the carrying amount of the exploration and evaluation assets. During the year ended May 31, 2014, the Company sold 413,000 common shares of GRO for proceeds of $104,717. The Company recorded a realized loss on sale of $64,613.

Also, during the year ended May 31, 2014, the Company recovered Quebec Mineral Credits of $262,464 on its Eastern Extension/Urban Barry Property.

The sale of GRO shares and Quebec Mineral Credit recovery helped the Company maintain its day-to-day operations for the year. At May 31, 2014, the Company had a remaining commitment to incur exploration expenditures in relation to its 2013 and 2012 flow-through share financings of $510,062. Assuming the Company adjusts the 2012 flow-through share renouncement, there will be $196,000 remaining to be spent on qualifying exploration by December 31, 2014 in order to avoid penalties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following expenses were incurred with directors and officers of the Company:

	Nine Months Ended February 28, 2015	Nine Months Ended February 28, 2014
Short-term compensation	$ 136,194	$ 117,000
Share-based payments	$ -	$ -

During the nine months ended February 28, 2015, short-term compensation to related parties consisted of $120,194 in management fees (2014 - $90,000) and $16,000 of professional fees (2014 - $27,000).

During the nine months ended February 28, 2015, the Company paid $11,614 for rent expense to a company related by a common director (2014 - received $12,690 as a rent expense recovery)

As at February 28, 2015, the Company had outstanding amounts payable to an officer and a director of the Company of $nil (May 31, 2014 - $37,450) and to companies related by common directors of $nil (May 31, 2014 - $72,663) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and are repayable on demand.

At February 28, 2015, included in prepaid expenses was a $100,000 (May 31, 2014 - $nil) retainer for exploration expenses paid to a company of which the principal is a significant shareholder of the Company.

EVENTS OCCURRING AFTER THE REPORTING DATE

On March 1, 2015, the Company received $40,500 on the exercise of 150,000 stock options.

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises 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. The Company's investment policy is to invest its cash in financial instruments at high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

The Company's overall strategy remains unchanged from the prior year.

FINANCIAL INSTRUMENTS AND RISKS

As at February 28, 2015, the Company's financial instruments consist of cash, receivables, marketable securities, reclamation deposit, accounts payable and accrued liabilities, and due to related parties. The carrying values of these financial instruments approximate their fair values.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
Level 3 - Inputs that are not based on observable market date

The following table sets for the Company's financial assets measured at fair value by level within the fair value hierarchy:

February 28, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 195	$ -	$ -	$ 195
Marketable securities	$ 10,604	$ -	$ -	$ 10,604

May 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 2,050	$ -	$ -	$ 2,050
Marketable securities	$ 23,925	$ 104,500	$ -	$ 128,425

Credit Risk

Financial instruments that potentially expose the Company to credit risk are cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts. The Company is exposed to credit risk with respect to its cash. However, the risk is minimized as they are held at a major Canadian Chartered Bank.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant market risk. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of February 28, 2015 equal $354,877 (May 31, 2014 - $1,094,846). All of the liabilities presented as accounts payable are due within 30 days of February 28, 2015.

The Company intends to address its working capital deficiency through a combination of debt settlement agreements and private placement financings.

Foreign Exchange Risk

The Company's operations are transacted in Canadian dollar and are not exposed to significant foreign exchange risk.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

CRITICAL ACCOUNTING ESTIMATES

Accounts that require estimates as the basis for determining the recorded or carrying amounts include property and equipment, exploration and evaluation assets and share-based payments.

The Company has adopted amortization policies, which, in the opinion of management, are reflective of the estimated useful lives of its property and equipment. The Company has not recorded any amounts in respect of impairment of its property and equipment.

The recoverability of the amounts capitalized for the exploration and evaluation assets is dependent upon the determination of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain the necessary financing to complete the development of the properties and on future profitable production or proceeds from the disposition properties. At May 31, 2014, management considered the Zacatecas property impaired and accordingly wrote down the carrying value to $1.

The Company uses the Black-Scholes option valuation model to calculate the fair value of warrants at the date of issuance and the fair value of agent’s compensation units or finder’s fees. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate

OTHER INFORMATION

As at April 29, 2015 the Company had the following securities issued and outstanding:

	April 29, 2015	February 28, 2015	May 31, 2014
Common Shares	19,785,067	19,635,067	4,873,399
Warrants	6,200,000	6,200,000	330,375
Stock Options	306,000	456,000	-
Fully Diluted Shares	26,291,067	26,291,067	5,203,774