



**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S CONSOLIDATED
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

THREE MONTHS ENDED MARCH 31, 2014 AND 2013

Dated: May 30, 2014

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.1 Date and forward-looking statements

This Management Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in the consolidated financial condition and results of operations of Stratton Resources Inc. ("Stratton" or "the Company") as at March 31, 2014 and for the three months then ended. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company and related notes thereto as at and for the three months ended March 31, 2014 and 2013. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the year ended December 31, 2013.

The effective date of this MD&A is May 30, 2014.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability, uncertainty related to the resolution of legal disputes and lawsuits; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of base and precious metals; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates, as well as other factors. Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and on the Company's web site at www.strattonresources.com.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.2 Over-all performance

1.2.1 Description of business

Stratton is a junior exploration company focused on the acquisition, exploration and development of mineral resource properties. On July 4, 2011, the Company changed its name from Tribune Minerals Corp. to Stratton Resources Inc. The Company is incorporated under the Business Corporations Act (British Columbia) and is a reporting issuer in British Columbia, Alberta and Ontario. The Company is listed on the TSX Venture Exchange ("the Exchange") as a Tier 2 mining issuer, and its shares trade under the symbol SI.V.

The current organizational structure of Stratton is as follows:

Subsidiary name	Jurisdiction	Ownership
Stratton Resources (Canada) Inc.	Canada	100%
Stratton Resources Holdings Corp. (inactive)	Canada	100%
Stratton Resources Holdings (USA) Corp. (inactive)	Arizona, USA	100%
Stratton Resources (USA) Corp. (inactive)	Arizona, USA	100%

Effective March 15 and March 22, 2013, respectively, the Company gave notices of termination to the Mac and Natlan Optionors, thereby relinquishing the options to acquire respectively 90% and 100% interest in these projects. All mineral property costs associated with these projects have been written-off.

As at the date of this MD&A, the Company holds a 100% interest in the Lunar claims located in the province of British Columbia, Canada.

The Company has not yet determined whether its mineral property interests contain economically recoverable mineral reserves. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, obtaining the necessary mining permits, and on future profitable production or the proceeds from the disposition of the mineral property interests.

1.2.2 Exploration and evaluation assets

(a) Qualified person

Richard Haslinger, P. Geo., a consultant of the Company, is the qualified person under National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration programs. Richard is a professional geological engineer with over 20 years of experience in the exploration industry. During the last 20 years Richard has managed numerous multi-disciplinary exploration and deposit delineation projects at sites in North America and West Africa..

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.2.2 Exploration and evaluation assets (continued)

(b) Lunar property – Copper/Molybdenum/Gold Prospect

Overview

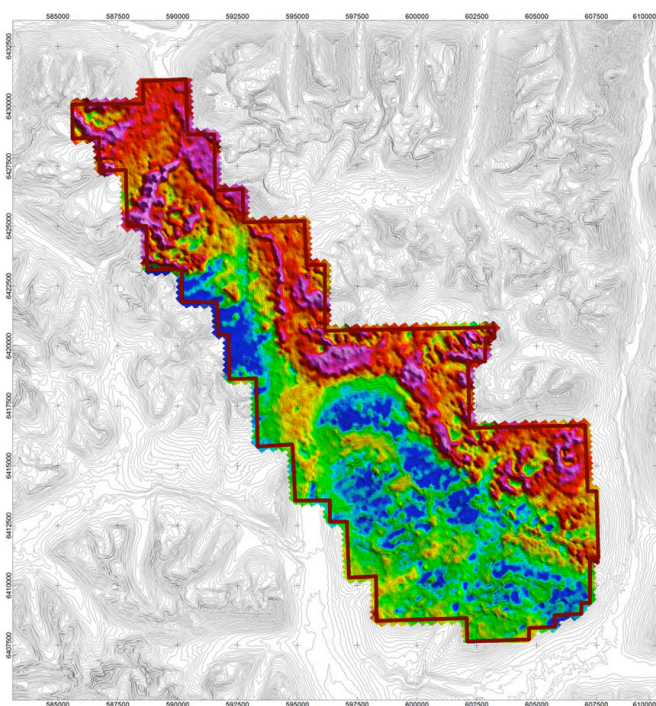
The Lunar property is an early-stage copper-gold exploration project located 95 kilometres northwest of the Kerness mine and 50 kilometres southeast of the Kutco mine, in Northern British Columbia. On August 17, 2011, the Company entered into an agreement with Homegold Resources Ltd ("Homegold"), a BC Company, to acquire Lunar, then consisting of 30 mineral tenures (12,509 ha), for \$70,000 and a number of contingently issuable shares as described below. The \$70,000 was paid to Homegold against transfer of the claims to the Company.

Under the terms of the agreement, in the event the Company spends \$2,000,000 on exploring the Lunar claims, it will issue 50,000 common shares to Homegold and 100,000 to Xtract Resources Inc. ("Xtract"), a BC Company, as consideration for Xtract's previous legal rights to the Lunar property. If the Company spends an additional \$3,000,000 it will issue an additional 150,000 shares to Xtract and upon spending a further \$5,000,000 (\$10,000,000 total), the Company will issue Xtract a further 250,000 shares. In the event of a commercial production decision another \$500,000 will be paid to Homegold and after 6 years a minimum \$72,000 per year will have to be paid in advance royalties to Homegold. Homegold has reserved a 2% net smelter royalty on the property.

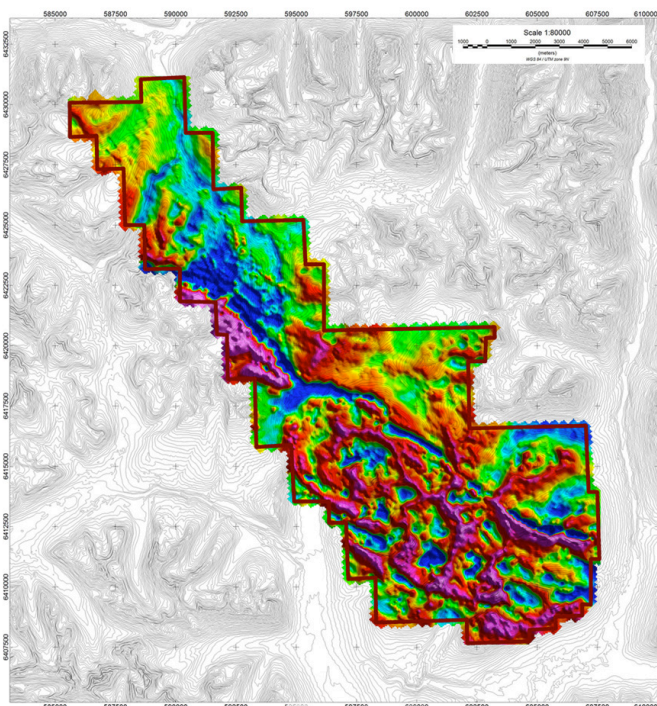
The Company estimated the fair value of Lunar property at the acquisition to be \$134,250, which consists of \$70,000 paid on the transfer of the claims to the Company and \$64,250 is the estimated fair value of the contingently issuable shares pursuant to the agreement. In determining the amount of shares that will eventually be issued under the agreement, management reviewed the current proposed exploration program on the project, as well as possible future programs and used a scenario-based analysis to determine the most likely outcome.

2013 Exploration Program

On June 12, 2013, the Company received the results from its airborne survey to acquire detailed magnetic and radiometric data over the entire claim.



Lunar survey block total count-exposure rate



Lunar survey block calculated vertical gradient of the total magnetic intensity

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.2.2 Exploration and evaluation assets (continued)

Inspection of the magnetic mapping images reveals several distinct geologic domains separated by northwest trending contacts. Correlating magnetic expression with known geological domains from previous mapping will serve greatly to predict the extent of this geology across the rest of the survey block. The domain of more strongly varying gradient on the southwest side of the block relative to the moderate and less variable gradient field to the northeast likely reflects the contrast of Lunar's ultramafic complex and the Asitka Group metamorphic greenstone rocks to the less variable and extensive Pitman granites of the Guichon Intrusive suite. Fifty kilometres south of Lunar, the Kemess deposits occur in relation to intrusives like these.

The radiometric data allowed for supporting discrimination of the granite intrusive dominated domain of the northeast portion of the property from the much lower total count signature of the ultramafics, metamorphic and volcanic rocks on the southwest side. Both data sets provide a clear and coincident break between the primary domains mentioned, as such, the contact or bounding structure(s) reflected here become a key feature for investigation in the next stages of exploration. A number of copper-gold porphyry deposits in the district have boundaries along or at such structures that occur in relation to granite to granodiorite composition intrusive rocks in proximity to such structures. This structure and the terrain within a kilometer of either side, particularly the northeast side, warrant advanced ground exploration surveys, geological mapping and prospecting.

2014 Exploration Program

The Company is currently gearing up for its 2014 summer exploration program at Lunar which is designed to keep the Company's interest in the property in good standing while testing the geologically active areas of the mineral claims through a series of stream sediments samples. The Company also intends to follow up on rock and chip samples taken in 2012 where results ranged from trace amounts of 10.6 % copper ("Cu") and 5.37 g/t gold ("Au").

(c) Mac Reclamation Program

In 2013, the Company substantially completed the reclamation of its formerly optioned Mac exploration project in British Columbia. In a net settlement arrangement, the Company contracted a third party who dismantled and took possession of all the Company's assets on site as well as completed the require road and drill pad reclamation and in return, pay the Company \$100,000. The fair value of the work performed by the third party was mutually agreed as \$50,000. The Company is pleased to state that the work was completed on schedule and funds were received.

The mines inspector has preformed its initial review of the reclamation and has made minor requests for additional work to be completed. The Company has recorded a remaining asset retirement obligation amount of \$5,000 to account for this work, which is expect to be completed during 2014. Pending receipt of the final report from the mine inspector, the Company does not anticipate any issues in the collection of its reclamation bond.

The remaining net book value of the assets held for sale, being the Mac equipment, was written off.

(d) Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge; title to its properties is in good standing.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.2.2 Exploration and evaluation assets (continued)

(d) Exploration and evaluation costs

During the three months ended March 31, 2014, the Company incurred the following acquisition, exploration and evaluation costs:

	Balance December 31, 2013	Additions (Recoveries)		Balance March 31, 2014
		Q1	YTD	
Lunar	\$ 317,310	\$ -	\$ -	\$ 317,310
Total	\$ 317,310	\$ -	\$ -	\$ 317,310

During the year ended December 31, 2013, the Company incurred the following acquisition, exploration and evaluation costs:

	Balance December 31, 2012	Additions (Recoveries)					Balance December 31, 2013
		Q1	Q2	Q3	Q4	YTD	
Lunar	\$ 256,427	\$ -	\$ 60,883	\$ -	\$ -	\$ 60,883	\$ 317,310
Total	\$ 256,427	\$ -	\$ 60,883	\$ -	\$ -	\$ 60,883	\$ 317,310

1.3 Selected annual information

The following represents selected information of the Company for the three most recently completed financial years:

	2013	2012	2011
Net loss and comprehensive loss for the year	\$ (253,781)	\$ (16,287,757)	\$ (1,381,225)
Basic and diluted loss per share	(0.01)	(0.47)	(0.08)
Working capital	(138,508)	103,232	1,145,386
Total assets	836,528	1,337,283	16,641,577
Total long term liabilities	-	1,377	-
Shareholder's equity	178,802	408,282	15,638,811
Cash dividends per share	-	-	-

The Company generated no revenues from operations during the fiscal periods ended December 31, 2013 and 2012, other than interest income of \$4,497 and \$7,013 respectively.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.4 Results of operations

The three months ended March 31, 2014 and 2013

Net loss and comprehensive loss for the three months ended March 31, 2014 was \$29,500 compared to \$76,372 of the same period in the previous year. This decrease in the net loss and comprehensive loss can be primarily attributed to the reduction administration expenses including the discontinuation of all direct executive officer salaries.

Specific factors affecting the net loss and comprehensive loss for the periods include:

- Consulting fees, directors' fees, wages & benefits decreased as all remaining directors and officers waived their direct salaries or consulting fees. The remaining salaries and fees relate to those maintaining the Company public listing and mineral property interests in good standing.
- During the three months ended March 31, 2013, the Company incurred \$11,084 in costs associated with non-capital project costs relating predominately to the wind-up of the Mac exploration project. During the same period in the current year, no significant exploration and evaluation expenditures were incurred.
- Share-based compensation decreased to \$nil for the three months ended March 31, 2014 compared to the same period in 2013 as all outstanding stock options were voluntarily forfeited in 2013. No stock options were granted during the three months ended March 31, 2014 and 2013.

1.5 Summary of quarterly results

The Company is a mineral exploration company and currently has no producing properties or operating income. However, the Company records revenue from bank interest produced on cash held at financial institutions, which depends upon cash balances available to fund its acquisition and exploration activities and administrative expenses. A summary of quarterly results is shown below:

Quarter ended	Interest and other income (expense)	Net loss and comprehensive loss	Loss per share
	\$	\$	\$
March 31, 2014	(1,132)	29,500	0.00
December 31, 2013	(6,560)	39,597	0.01
September 30, 2013	2,485	82,994	0.00
June 30, 2013	7,627	54,808	0.00
March 31, 2013	945	76,382	0.00
December 31, 2012	7,366	13,301,465	0.36
September 30, 2012	-	265,330	0.01
June 30, 2012	-	2,135,039	0.06

The quarters ended in 2013 and 2014 show decreasing net loss and comprehensive loss over previous periods due to a reduction in overhead costs associated with administration. The Company anticipates maintaining a minimal monthly cash burn rate until the Company determines it is appropriate to refinance.

Net loss and comprehensive loss for the quarter ended December 31, 2012 increased significantly compared to the previous quarters due to a write-off of exploration and evaluation assets of \$13,021,637 and a write-off of property and equipment of \$297,330 due to impairment. All other expenses decreased during the quarter ended December 31, 2012 consistent with the decrease in the Company's activities as it continued to look for ways to preserve cash.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.6 Liquidity and capital resources

The Company finances its operations by raising capital in the equity markets. For the foreseeable future, the Company will need to rely on the sale of its securities to provide working capital and to finance its mineral property acquisition and exploration activities.

As at March 31, 2014, the Company had cash of \$396,291 and a net working capital deficit of \$168,008 compared to cash of \$297,266 and a net working capital deficit of \$138,508 as at December 31, 2013.

The cash balance of \$396,291 at March 31, 2014 is sufficient to meet the cash requirements for the Company's administrative overhead and maintaining its mineral interests for the next twelve months as long as the note payable is not called.

Effective June 30, 2013, Universal Mineral Services Ltd. ("UMS") agreed to settle the historic payable amounts totally \$609,388 with a note payable for an equivalent value. The note payable bears no interest, has a maturity of December 31, 2014, is due on demand and is extendable for an additional twelve months at the mutual agreement of both parties. The intent of the note is to allow Stratton the flexibility to refinance only when it is deemed beneficial to its shareholders.

The Company has been reviewing ways to reduce general and administration costs, negotiating extended payment terms of its trade payables, and renegotiating its future commitments to identify opportunities to reduce or delay spending and payments.

The Company may be required to raise additional capital in order to fund its operations in the forthcoming year. Although the Company has been successful in the past in obtaining financing through the sale of its securities, there can be no assurance that the Company will be able to obtain adequate financing in the future in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's efforts to identify and acquire prospective mineral resource properties, further exploration and development of the mineral resource properties currently in its portfolio, with a possible loss of some properties and reduction or termination of operations.

The Company's condensed consolidated interim financial statements for the three months ended March 31, 2014 have been prepared on the assumption that the Company will continue to realize its assets and meet its liabilities in the normal course of business as a 'going concern'. However, as at the date of this MD&A, management has identified factors and circumstances that may cast a significant doubt on the Company's ability to continue as a going concern. The Company's audited annual consolidated financial statements contain no provisions for adjustments, which may become necessary if the Company becomes unable to continue on a 'going concern' basis. Such adjustments could be material.

The extent of the Company's future exploration programs will be dependent on the Company successfully raising additional funds through the issuance of equity.

(a) Non-brokered private placements

There were no financings completed or announced during the three months ended March 31, 2014 and up to the date of this MD&A.

(b) Warrants and stock options

During the three months ended March 31, 2014 and up to the date of this MD&A, there were no grants or outstanding warrants or stock options.

(c) Payments pursuant to mineral property option agreements

The Company holds 100% interest in its Lunar property and has relinquished its rights to acquire 90% and 100% interest in Mac and Natlan mineral properties respectively, thereby the Company does not have any forthcoming payments pursuant to mineral property option agreements.

(d) Flow-through share commitments

During the year 2013, the Company incurred the remaining balance of \$28,221 in qualifying expenditures relating to the flow-through shares issued in 2012 and recorded a future income tax recovery of \$1,377. The Company has no further obligations to incur flow through expenditures.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.7 Off-balance sheet arrangements

The Company has not engaged in any off-balance-sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

1.8 Related party transactions

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by the management. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended March 31, 2014	Three months ended March 31, 2013
Universal Mineral Services Ltd.*	\$ 20,088	\$ 47,159

* Universal Mineral Services Ltd. ("UMS") is a private company with directors and officers in common that, pursuant to an agreement dated March 30, 2012, provides geological, corporate development, administrative and management services to the Company on a cost recovery basis. The Company also holds a 25% non-voting equity interest in UMS, which is carried at cost. As at March 31, 2014 the outstanding payable balance was \$7,364 (December 31, 2013 - \$7,258) and prepaid expenses and deposits balance was \$6,000 (December 31, 2013 - \$6,000).

Effective June 30, 2013, UMS agreed to settle historic payable balances totaling \$609,388 with a note payable for an equivalent value. The note payable bears no interest and with a maturity of December 31, 2014 and is extendable for an additional twelve months at the mutual agreement. The note payable is due on demand.

During the period, compensation to key management personnel was as follows:

	Three months ended March 31, 2014	Three months ended March 31, 2013
Short-term benefits**	\$ 5,730	\$ 31,874
Share-based compensation	-	8,063

** A total of \$5,730 is included in related party transactions with UMS (three months ended March 31, 2013 - \$31,874).

1.9 Subsequent events

None other than otherwise disclosed.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.10 Proposed transactions

None.

1.11 Critical accounting estimates

This section is not required as the Company is a Venture Issuer, as the term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*.

1.12 Financial instruments and other instruments

The Company's financial instruments are summarized below:

(a) Credit risk

The Company is subject to credit risk on the cash, amounts receivable and reclamation bond balances. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash balances in Canadian highly rated financial institutions and in government securities. The Company considers the risk of loss associated with cash to be low. The amounts receivable and reclamation bonds are held with government agencies and are not considered to represent a credit risk exposure to the Company.

(b) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. The Company estimates that its contractual obligations pertaining to accounts payable and accrued liabilities and asset retirement obligations will be satisfied within one year.

(c) Foreign currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not use any hedges or other derivatives to mitigate the risk against foreign exchange fluctuations.

The Company did not have any significant foreign currency risk exposure as at March 31, 2014 and December 31, 2013.

(d) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash attracts interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low, however the conservative investment strategy mitigates the risk of deterioration to the investment. A change of one (1) percent in the interest rate would have a minimal impact to the condensed consolidated interim financial statements.

(e) Capital risk management

The Company manages its cash, share capital and equity reserves as capital. 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 acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.12 Financial instruments and other instruments (continued)

(f) Other

The carrying values of cash, amounts receivables, reclamation bond, accounts payable and accrued liabilities and notes payable approximate their respective fair values due to the short-term maturity.

1.13 Other requirements

1.13.1 Capital structure

Authorized share capital consists of: Unlimited number of common shares without par value.

Issued share capital:

As at May 30, 2014, there are 36,724,164 common shares of the Company issued and outstanding.

As at March 31, 2014, there are 36,724,164 common shares of the Company issued and outstanding.

Escrow shares:

As at May 30, 2014, there were 1,653,724 shares held in escrow.

As at March 31, 2013, there are 1,653,724 shares held in escrow.

STRATTON RESOURCES INC.

(An exploration stage company)

Management's Discussion and Analysis
For the Three Months Ended March 31, 2014 and 2013

Expressed in Canadian Dollars

1.13.2 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The condensed consolidated interim financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended December 31, 2013.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Note: As a Venture Issuer, the Company is not required to certify the design and evaluation of the issuer's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and has not completed such an evaluation; and there are inherent limitations on the ability of Management to design and implement on a cost effective basis DC&P and ICFR for the Company which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required under securities legislation.

Additional disclosures pertaining to the Company's Management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Shawn Wallace"

Shawn Wallace

Executive Chairman and Interim President and Chief Executive Officer
May 30, 2014