DOLLY VARDEN SILVER CORPORATION
For the three and nine month periods ended September 30, 2013 and 2012
Management's Discussion and Analysis

Description of Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2013 and the audited financial statements of Dolly Varden Silver Corporation (the "Company") for the year ended December 31, 2012. This MD&A contains forward-looking information and statements, which are based on the conclusions of management. The forward-looking information and statements are only made as of November 25, 2013, the effective date of this MD&A.

All financial information is presented in Canadian dollars unless otherwise stated. The Company is a reporting issuer in British Columbia. The Company's common shares trade on the TSX Venture Exchange under the symbol "DV". Financial results are reported in accordance with International Financial Reporting Standards ("IFRS").

Additional information related to the Corporation is available on SEDAR at www.sedar.com.

Forward Looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Company Overview

The Company is a Canadian-based resource exploration company in the business of acquiring, exploring, and developing exploration and evaluation assets. The Company currently has no producing properties and consequently no operating income. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production. It is the intention of the Company to obtain financing through access to public equity markets, debt and partnerships or joint ventures as sources of funding for its exploration expenditures and to meet ongoing working capital requirements.

The Company owns 100% interest in multiple mineral titles and claims in the Northern Kitsault region of British Columbia (the "Dolly Varden Property") and certain contiguous mineral tenures located on the north side of Iskut River ("Iskut Property"). During the nine month period ended September 30, 2013, the Company entered into an option agreement to acquire 100% interest in the Musketeer property located in northwestern British Columbia, Canada, abutting the Dolly Varden Property.

Description of Properties

The following are summaries of acquisition costs and exploration expenditures in exploration and evaluation assets for the nine months ended September 30, 2013:

	Balance as at December 31, 2012	Dolly Varden Property	Iskut Property	Musketeer Property	Balance as at September 30, 2013
Acquisition Costs					
Finders' fees	$ 62,500	$ -	$ -	$ -	$ 62,500
Legal fees	82,520	-	-	11,303	93,823
Property acquisition	2,546,801	-	-	350,000	2,896,801
Total acquisition costs	$ 2,691,821	$ -	$ -	$ 361,303	$ 3,053,124
Exploration Costs					
Assay	$ 117,340	$ 67,613	$ -	$ -	$ 184,953
Camp, food, supplies & misc.	688,418	251,884	-	-	940,302
Claim maintenance	73,608	35,758	-	196	109,562
Data and sampling analysis	218,695	111,352	-	-	330,047
Depreciation	123,503	48,381	-	-	171,884
Drilling	815,229	317,155	-	-	1,132,384
Equipment, warehouse rental	451,845	234,685	-	-	686,530
Field labour and support	614,025	124,787	-	-	738,812
Field project and management	1,557,955	737,860	-	-	2,295,815
Fuel	271,364	103,374	-	-	374,738
Geological and geoscience consulting	1,026,536	488,554	-	-	1,515,090
Geotechnical studies	250,410	173,420	-	-	423,830
Mapping and modelling	370,635	267,590	-	-	638,225
Road and drill pad preparation	497,375	108,181	-	-	605,556
Site preparation	61,578	85,940	-	-	147,518
Survey and assessment	357,070	23,753	-	-	380,823
Transport, travel & accomodations	1,126,940	549,487	-	-	1,676,427
Cost recovery - BC METC (1)	-	(1,317,332)	-	-	(1,317,332)
Total exploration costs	$ 8,622,526	$ 2,412,442	$ -	$ 196	$ 11,035,164
Total Exploration and Evaluation Assets	$ 11,314,347	$ 2,412,442	$ -	$ 361,499	$ 14,088,288

(1) Refers to the BC Mining Exploration Tax Credit, a government assistance program that gives refundable tax credits at 20% of certain qualified mining exploration expenditures. The amount represents the tax credit assessed for the 2011 fiscal year ($558,453) and the amount filed for the 2012 fiscal year ($758,879).

Dolly Varden Property

During the period ended October 31, 2011, the Company purchased the Dolly Varden Property (the "Property"), consisting of fee simple titles, mineral claims and mineral tenures in respect of certain lands located in the Kitsault area of British Columbia. A finder's fee of $62,500 was paid through the issuance of shares to a shareholder of the Company. The property is subject to a 2% net smelter returns royalty ("NSR") of which one half (or 1% NSR) can be repurchased by the Company for $1,000,000 at any time.

A company in which a former director (until July 26, 2013) holds an indirect 20% interest, holds the 2% NSR and holds a License agreement for use of nearby property at a monthly cost of $2,500 through to June 30, 2014. Other directors no longer have any entitlement of interest in the company that holds the 2% NSR and License agreement.

The Company has entered into a Master Services Agreement (the "MSA") on September 1, 2012 with Cambria Geosciences Inc. (Paul McGuigan, VP Exploration) ("Cambria") for ongoing exploration. Under the MSA, Cambria provides a range of geological and geosciences services as well as project management. The MSA includes an additional 4% overall fee on costs related to the project. Upon signing the MSA, an additional fee of $185,000 was paid to cover retroactive project management costs.

The Company has provided a $50,000 deposit for the reclamation bond for the Property.

The main property comprises an area of 8,800 hectares and includes the Dolly Varden and Big Bulk claims located in or near to Kitsault Valley, northwestern British Columbia. The Company also owns the Twin Glacier claims located in the Iskut River area.

The Property contains the core of the historic silver-rich Dolly Varden Mining Camp north of Alice Arm, within the regionally important and prolific Stewart Complex. The Property encompasses several historic underground workings, including the Dolly Varden, North Star, Torbrit, and Wolf Mines, as well as several other developed showings and many mineralized prospects. The silver-rich deposits found on the Property are hosted in Jurassic-age volcanic and sedimentary rocks (Iskut River Formation) of the Hazelton Group. They display textural and mineralogical similarity to mineralization found in subaqueous, gold-silver-rich, hot spring-type volcanogenic massive sulfide (VMS) deposits such as the Hazelton Group hosted Eskay Creek deposit.

Hot spring-type VMS deposits typically contain a central core of VMS massive sulfides, flanked by more distal aprons of stratiform exhalative deposits and debris flow facies deposits. The central core is typically underlain by high sulphidation epithermal vein and stockwork mineralization.

Deposits of these exhalite and debris flow mineralization are exceptionally extensive on the Property and locally contain significant precious and base metal contents at multiple horizons. These stratiform deposits occur in at least two or more horizons on the Property.

1. BASAL MINERALIZATION; A thick and extensive volcanic-exhalative DVT Horizon, which locally contains very high grade silver that occurs within fine andesitic tuff at the base of the Iskut River Formation, hosting the Dolly Varden, North Star, and Torbrit silver deposits. Historic silver production totals 20 million ounces (622 t silver)
2. VOLCANIC-SEDIMENTARY CONTACT; A second, younger horizon, that is hosted by similar host strata to the Eskay Creek gold-silver-rich VMS deposit, with strong footwall alteration and felsic flows, tuffs, and sediments, that occurs about 300-400 meters above the base of the Iskut River Formation. This horizon hosts the Wolf deposit, and several mineralized prospects, such as the prominent Red Point and Gold belt zones that are prospective for Eskay-type Au-Ag rich VMS deposits.

Each of these two horizons contains volcanic-exhalative debris flow and breccia facies and syn-sedimentary fault structures that are highly prospective. In the case of the DVT Horizon, high grade silver mineralization is hosted in a zone of breccia and flanking stratiform lenses that plunges moderately to the NNW from the Torbrit Mine.

The Company has now conducted two generations of helicopter-borne geophysical surveys: in 2010, an AeroTEM II, magnetic and radiometric survey; and in 2012, a new ZTEM and Magnetic survey. Importantly, provisional 2D inversion of the Geotech ZTEM Resistivity data has mapped the response of the footwall strata of the Torbrit silver deposits and also given a reliable and consistent interpretation of the important upper unit of the Iskut River Formation (Salmon River formation). The Company's assembled 3D data and the newly obtained 2D Resistivity modeling has been integrated into a powerful new 3D model of the exploration targets on the Property.

The Company continued with a balanced mineral exploration effort on the Property in 2013. Field crews mapped and sampled mineral showings and key lithologies across the entire Iskut River formation on the Property. Iskut River formation is the current Geological Survey of Canada nomenclature in the region for volcanic and sedimentary formations that fill the multiple sub-basins of the Eskay Rift. Combined with the new mapping at the Torbrit and the Dolly Varden, the following very significant conclusions can be supported:

1. The volcanic units of the Iskut River formation on the property are about 300 to 400m thick. DVT Horizon exhalite locally is the base of the volcanic unit. Eskay-type Au-Ag VMS occurences are found at the top of this volcanic unit at several locations, but remain largely untested.

2. At Dolly Varden, high-grade silver mineralization in veins and stockwork spans almost the entire vertical range of the basal volcanic unit.

3. At the Wolf, and now Torbrit, fault and graben-related silver rich veins and stockworks are feeders for Eskay-type VMS and exhalite. In the case of Wolf, the "Contact Horizon" with sediments is mineralized by a local vent that overlies the linear vein and stockwork system. At Torbrit, our 2013 diamond drilling shows that the VMS-exhalite is vented and deposited next to an active fault and graben system. Stratabound VMS and exhalite occurs over a vertical range of 250 m.

The Company's geologists (which include several VMS professionals each with over 30 years of experience in the local structural geology, the Hazelton stratigraphy and geochemistry of the Eskay Creek and related gold-silver rich VMS deposits) conclude that the Property has excellent potential for the discovery of additional silver-rich mineralization. The targets include extensions to the historic Dolly Varden, Northstar and Torbrit Mines that are located along a single extensive stratabound mineralized horizon. Elsewhere, at higher levels of the stratigraphy, targets for additional silver and/or gold-silver-rich hot spring VMS-style mineralization are mapped at the Salmon River formation sediment-volcanic contact of the V-Vein, Red Point, and Surprise showings and in the hanging wall of the Wolf Mine.

The 2013 Exploration Program at the Dolly Varden started with mobilization on June 24th. A seven man team spent the previous week preparing the 35 man camp for the program. Communications were setup while waiting for the heavy equipment, rental trucks, lumber, fuel and supplies for the program. Bear Creek acted as the project's Expeditor.

The purpose of the 2013 drilling program was to test and validate the Torbrit's historical resource blocs with several drilling fans that would extend the known resources at depth and on strike toward the SE and NW. The drilling program was helicopter supported (TRK Helicopter services). Blackhawk provided one fly rig that drilled fourteen holes from July 5th to August 11th, for a total of 3,063.75m (NQ2 core). This represents an average drilling rate of 85.1 m of core per day (2 shifts per day). Significantly, 2605.1m of core was selected, cut and sent for assay to Acme Laboratories. The drill program ended when the last hole, drill hole DDH TB13-14 encountered technical difficulties in a small oblique underground working. The hole could not be completed and had to be abandoned.

Significantly, all fourteen drill holes successfully intersected the DVT horizon. The latter appeared as stratiform exhalites, banded zones, banded breccias as well as massive carbonate, quartz and barite replacement. DVT horizons and zones, as well as underground workings were generally intersected where predicted from the pre-drilling 3D modeling of the available underground working blueprints. Considering the fourteen drill holes, the total thickness of the DVT zone averaged 38m per hole, ranging from 9.3m (hole TB13-09) to 89.1m (drill hole TB13-01).

During the program a 2 man team spent a month mapping and sampling lithological traverses across the property to further define both contacts and alteration trends.

Mapping and sampling resumed underground on Level 1025 with further structural mapping taking place that will assist section interpretation in the Torbrit Mine. Further rehabilitation of the 1025 Level took place in 2013, with two sets of heavy cribbing built in the SW of the mine. Temporary scaffolding and new ladders were set up in several areas to facilitate sampling stations.

On August 22nd, Phase 1 of the Dolly Varden 2013 Exploration program began winding down. The 35 man camp being progressively shut down. Core logging, geotechnical studies, and core sampling continued until August 27th. Core cutting continued until September 2nd with the last sample shipment leaving camp on September 3rd. The field acQuire database was also completely updated on the main Vancouver server.

Demobilization took place on September 4th, 2013 when all heavy equipment, rental trucks, rented fuel containers, etc. could be loaded and shipped out of camp on the barge. It included all 2013 drill core loaded on palettes. All core palettes and Company equipment were eventually transported to the Terrace warehouse.

Paul McGuigan, P.Geo., Vice President of Exploration, comments that it is clear from the initial and preliminary data integration and interpretation of this year's program that a large component of the Torbrit deposit is indeed exhalative, was long-lived, and hosts a separate stage of very silver-rich hydrothermal veining. It is likely that this environment manifested similar deposits at other locales (both adjacent and stacked) in a similar depositional setting. This provides encouragement for more detailed exploration of other regional showings on the Dolly Varden project.

Plan showing Underground sample locations and Diamond Drill hole coverage.

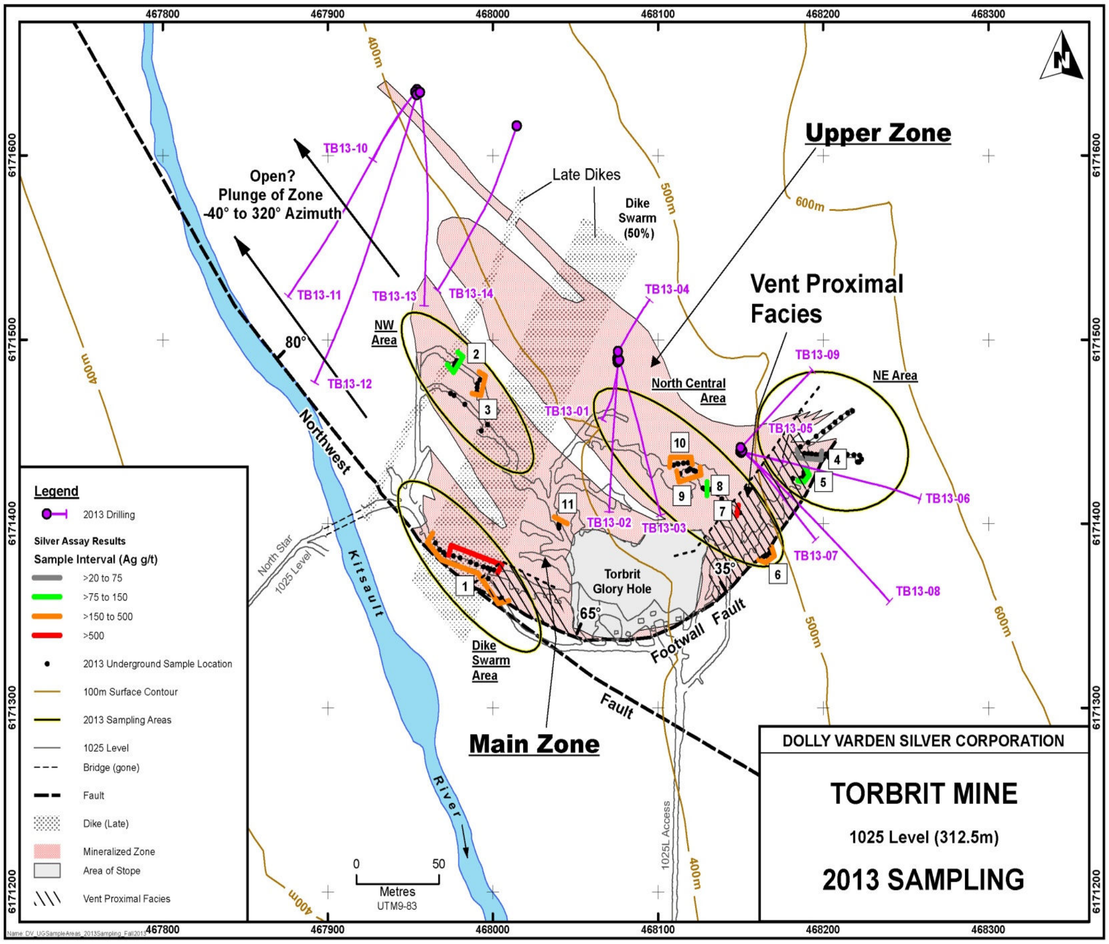

Table One – Underground Sample Results:-

Site #	Sampling Area	True Thickness (m)	Ag (g/t)	Ag (oz/ton)	Pb (%)	Zn (%)	Description
1	**NW Area**	**39.9****	141.4	4.1	0.36	0.32	Dike Swarm + DVT layer, barite-silica
	including	**24****	**297.0**	**8.7**	0.25	0.24	
2	**NW Area - NE end of stope**	6.2	150.0	4.4 0.0	0.15	0.21	DVT Layer, barite-carbonate
3	**NW Area - Middle of stope**	**8.8**	**256.6**	**7.5**	0.43	0.23	DVT Layer, silica-sulphides
	including	**3.2**	**371.8**	**10.8**	0.78	0.14	
4	**NW Area**	9.2	69.9	2.0	0.28	0.08	DVT layer progressing to wallrock
5	**NW Area**	5.7	189.9	5.5	0.98	0.8	DVT layer, breccia
	including	**2.7**	**315.2**	**9.2**	0.45	0.03	
6	**Central Area**	**3.5***	**245.0**	**7.1**	0.65	0.02	DVT Layer, barite-silica
7	**Central Area**	**4.0***	**891.6**	**26.0**	0.77	0.06	DVT Layer, barite-silica
8	**Central Area**	7.2*	172.0	5.0	1.1	2.0	DVT Layer, massive to banded breccia
	including	4.1*	223.5	6.5	1.7	3.0	
9	**Central Area**	**13.9****	**278.9**	**8.1**	1.14	1.5	Lapilli Tuf, fractures with carbonate & fine sulphides
10	**Central Area**	**7.2***	**308.9**	**9.0**	1.57	1.12	DVT Layer, breccia and banded breccia
11	**NW Area – Surface**	**2.9***	**246.7**	**7.2**	0.35	0.51	DVT layer, barite-silica

*** - partial true thickness, limited by sampling exposure; ** - partial sample length, - true thickness not available**

Table Two – Surface Diamond Drill Results:

Torbrit Mine: 2013 Diamond Drill Results Summary

	DDH #	From	To	Interval (m)*	Ag (g/t)	Ag (oz/ton)	Pb (%)	Zn (%)	Cu (%)
PAD- D	TB13-01	108.7	141.4	32.7	91.1	2.7	0.48	0.63	0.07
	including	108.7	117.5	8.8	140	4.1	0.55	1.10	0.11
	including	**137.0**	**141.4**	**4.3**	**220**	**6.4**	**0.26**	**0.26**	**0.02**
	TB13-02	**92.8**	**134.0**	**41.2**	**198**	**5.8**	**0.56**	**0.41**	**0.02**
	including	**92.8**	**102.8**	**10.0**	**239**	**7.0**	**1.26**	**1.12**	**0.05**
	including	**110.7**	**134.0**	**23.3**	**242**	**7.1**	**0.43**	**0.21**	**0.02**
	TB13-03	**126.5**	**143.6**	**17.1**	**509**	**14.8**	**0.73**	**1.20**	**0.09**
	including	**140.4**	**143.6**	**3.2**	**1,458**	**42.5**	**0.77**	**1.74**	**0.06**
	TB13-04	126.0	148.4	22.4	26.6	0.8	0.34	0.93	0.08
PAD-E	TB13-05	48.7	50.3	1.6	183	5.34	0.78	0.18	0.05
		156.8	161.1	4.3	124.3	3.62	0.13	0.23	0.12

	TB13-06	**123.7**	**131.4**	**7.7**	**621**	**18.12**	**0.70**	**0.11**	**0.06**
	including	**123.7**	**126.6**	**2.9**	**1,327**	**38.72**	**0.94**	**0.08**	**0.09**
	TB13-07	157.2	178.9	21.7	150	4.38	0.50	0.40	0.05
	including	**166.6**	**169.3**	**2.7**	**392**	**11.44**	**0.02**	**0.02**	**0**
	including	**174.3**	**178.9**	**4.6**	**279**	**8.14**	**0.06**	**0.03**	**0.01**
	TB13-08	107.0	109.3	2.3	128	3.73	1.04	0.19	0.04
	TB13-08	**116.7**	**117.9**	**1.2**	**199**	**5.81**	**1.19**	**0.03**	**0.03**
	TB13-08	**160.6**	**163.7**	**3.1**	**193**	**5.63**	**0.03**	**0.02**	**0.02**
	TB13-09	No Significant Results							
PAD-C	TB13-10	No Significant Results							
	TB13-11	**31.9**	**33.0**	**1.1**	**909**	**26.52**	**0.10**	**0.30**	**0.01**
	TB13-11	**153.5**	**170.7**	**17.2**	**150**	**4.38**	**1.40**	**1.65**	**0.06**
	including	**153.5**	**158.1**	**4.6**	**244**	**7.12**	**3.44**	**2.67**	**0.01**
	TB13-11	200.1	219.2	19.1	122	3.56	0.45	1.20	0.01
	TB13-11	**228.7**	**230.7**	**2.0**	**319.7**	**9.33**	**0.10**	**0.26**	**0.01**
	TB13-12	**219.8**	**234.2**	**14.4**	**206**	**6.01**	**0.45**	**0.25**	**0.01**
	including	**220.7**	**223.5**	**2.8**	**442**	**12.9**	**1.75**	**0.67**	**0.01**
	TB13-13	66.3	74.0	7.7	133	3.88	0.41	0.78	0.08
	including	**71.6**	**74.0**	**2.4**	**198**	**5.78**	**1.06**	**1.32**	**0.14**
B	**TB13-14**	**211.1**	**222.6**	**11.5**	**674**	**19.66**	**0.41**	**0.48**	**0.03**
*Drill core interval: The true width has not been estimated									

The Company's Dolly Varden property program is directed by Paul McGuigan, P.Geo., Vice President, Exploration, who is a "qualified person" as defined by National Instrument 43-101 and who also prepared and approved the geological and technical information contained in this MD&A.

Summary of Quarterly Results

The Company was incorporated on March 4, 2011. The following are the selected quarterly financial information of the Company for the most recent eight fiscal quarters:

Table of Results for the Quarters of December 31, 2011 to September 30, 2013

	September 30 2013	June 30 2013	March 31 2013	December 31 2012
Total assets	$ 16,435,430	$ 17,120,721	$ 14,567,232	$ 13,409,986
Exploration and evaluation assets	$ 14,088,288	$ 11,727,676	$ 12,099,945	$ 11,314,347
Plant & equipment	$ 255,241	$ 257,323	$ 252,425	$ 267,999
Working capital	$ 1,290,685	$ 3,950,846	$ 1,359,257	$ 491,314
Shareholders' equity	$ 15,812,685	$ 16,175,722	$ 13,905,486	$ 12,264,693
Interest income	$ 13,467	$ 13,862	$ 1,771	$ 4,486
Net loss	$ (991,073)	$ (508,442)	$ (347,975)	$ (328,600)
Basic loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)

	September 30 2012	June 30 2012	March 31 2012	December 31 2011
Total assets	$ 14,090,044	$ 9,423,373	$ 9,763,140	$ 10,283,060
Exploration and evaluation assets	$ 9,113,907	$ 7,466,260	$ 7,189,748	$ 6,796,716
Plant & equipment	$ 356,018	$ 275,539	$ 294,416	$ 313,292
Working capital	$ 2,543,027	$ 1,443,398	$ 2,008,462	$ 2,719,266
Shareholders' equity	$ 12,062,952	$ 9,235,197	$ 9,542,626	$ 9,861,274
Interest income	$ 5,805	$ 6,752	$ -	$ -
Net loss	$ (373,748)	$ (320,342)	$ (3,785,892)	$ (425,549)
Basic loss per share	$ (0.00)	$ (0.00)	$ (0.05)	$ (0.01)
Fully diluted loss per share	$ (0.00)	$ (0.00)	$ (0.05)	$ (0.01)

Beginning with the quarter ended December 31, 2011, significant exploration costs were incurred early in the quarter until winter conditions at the site prevented relatively little in further exploration costs until the third quarter of 2012 following the raise of significant capital. Significant exploration costs were also incurred in the first half of the final quarter of 2012 until winter conditions at the site again prevented further exploration. However, significant expenditure was incurred in the first quarter of 2013, approximately 50% for evaluation work on the property and the other 50% paid towards the option to acquire the Musketeer property. Significant exploration spending resumed towards the end of the second quarter of 2013 as the Company reopened the camp at the site and began preparations for the 2013 drilling campaign. The 2013 drilling campaign peaked in the third quarter of 2013 before winding up in late August/early September. Total assets of the Company have risen quite steadily over the previous eight quarters as the majority of capital raised was spent on exploration and evaluation assets. The Company has maintained a positive working capital over the previous eight quarters. Operating losses over the previous eight quarters have been comparable, with the exception of the loss for the quarter ended March 31, 2012, as share-based compensation and the cost of public listing (both non-cash expenditures) created a large increase in that quarter's net loss, and the quarter ended September 30, 2013 as share-based compensation again created a large non-cash expenditure increase in the net loss for the quarter.

Highlights

Summer drilling commenced at the camp in July and continued until late August with fourteen holes drilled for a total of 3,063 meters. The Company's 2013 exploration program continued to find high-grade silver mineralization over wide intervals as reported in the tables above. The diamond drilling program successfully tested extensions of the historic Torbrit high-grade silver mine, with all holes intersecting the target DVT exhalite horizon with average true widths in the range of 40 meters. Mineralization remains open to the northwest and down-plunge at 40°, along the controlling "Torbrit" structure.

The Company did not generate operating revenue from March 4, 2011 (Inception) to present, as all of the operating activities of the Company were directed towards exploration as outlined below.

Results of Operations for the three months ended September 30, 2013 and 2012

Dolly Varden Property

Total exploration costs (exclusive of tax credits) incurred during the three months ended September 30, 2013, amounted to $2,360,612 (September 30, 2012 - $1,634,056). Direct comparison of the field exploration costs from 2012 to 2013 is impacted by the timing of the field work which covered the period from late June to September 4 in 2013, and in 2012, the field program began on September 2, and operated until demobilization was complete on November 3, 2012. Included in exploration costs was $216,348 (September 30, 2012 - $337,582) related to geological & geoscience consulting fees, $65,340 (September 30, 2012 -$27,990) in data and sampling analysis, $92,564 (September 30, 2012 - $93,910) in field labour & support, $322,985 (September 30, 2012 - $262,285) in field project supervision and management, $86,082 (September 30, 2012 - $48,060) in mapping and modelling, $11,323 (September 30, 2012 - $69,154) in survey and assessment costs, $132,680 (September 30, 2012 - $70,154) in rental equipment and warehouse costs, $11,725 (September 30, 2012 – $9,530) in claim maintenance costs, $462,537 (September 30, 2012 –$228,192) in transport, travel, and accommodation costs, $186,686 (September 30, 2012 - $113,546) on camp, food, supplies and miscellaneous costs, $66,773 (September 30, 2012 - $2,539) on assay costs, $16,908 (September 30, 2012 - $21,625) on depreciation, $74,599 (September 30, 2012 - $59,471) on fuel, $134,170 (September 30, 2012 - $81,120) on geotechnical studies, $86,725 (September 30, 2012 - $101,000) on road and drill pad preparation, $76,012 (September 30, 2012 - $20,000) on site preparation and $317,155 (September 30, 2012 - $87,898) on drilling. As at September 30, 2013, ignoring the cost recovery of BC METC, the Company had accumulated $12,306,070 (September 30, 2012 - $6,764,514) in exploration costs on the Dolly Varden Property.

Iskut Property

The Company, as part of the amalgamation with Twin, acquired 100% ownership of the Iskut Property in the first quarter of 2012. No exploration costs were incurred on the property during the third quarter of 2013 (September 30, 2012 - $13,590). As at September 30, 2013, the Company had accumulated $46,230 (September 30, 2012 - $13,590) in exploration costs on the Iskut Property. The property is in good standing.

Musketeer Property

On March 18, 2013, the Company entered into an option agreement to acquire 100% interest in the Musketeer property located in northwestern British Columbia, Canada for a purchase price of $1,050,000 payable over four years, subject to a 2% NSR. The Company has the option to reduce the NSR by 1% by paying $1,750,000 to the royalty holders within 3 years of acquiring the Musketeer property.

The Company paid an aggregate option payment of $350,000 on March 18, 2013 and the remaining option payments are due as follow:

February 14, 2014	$233,333
February 13, 2015	$233,333
February 12, 2016	$233,334

During the third quarter of 2013, no exploration costs were incurred on the property. As at September 30, 2013, the Company had incurred $196 (September 30, 2012 – N/A) in exploration costs on the Musketeer Property.

Operating Expenses

Administrative & Consulting fees in the three months ended September 30, 2013 were $29,445 (September 30, 2012 - $24,860); the increase due to the contracting of services that were previously performed by salaried staff. Directors' fees increased to $45,489 (September 30, 2012 - $Nil) as external Board members did not receive meeting and committee fees until 2013. Management fees decreased to $46,500 (September 30, 2012 - $57,000) as the President & CEO voluntarily reduced his fees as a cost saving measure. Marketing and communication costs fell to $65,612 (September 30, 2012 - $89,252) as the Company reduced the use of external investor relations services. Office expense increased to $26,361 (September 30, 2012 - $13,416) due to some one time expenditures to bolster office and information systems security. Professional fees decreased to $32,865 (September 30, 2012- $43,497) as the new Corporate Secretary is able to perform many activities that were currently performed by more expensive legal counsel. Rent and maintenance decreased to $14,355 (September 30, 2012 - $17,355) as a previous satellite office was eliminated. Salaries and benefits decreased significantly to $16,804 (September 30, 2012 - $40,220) due to reduction in office staffing. Share-based compensation increased significantly to $628,036 (September 30, 2012 - $32,542) due to the grant of options to new directors and staff made in the third quarter of 2013; this amount is a non-cash expenditure. Transfer agent and filing fees increased to $12,943 (September 30, 2012 - $3,054) due to the Company's first AGM held in July and the filing fee on the options to new directors and staff. Travel costs increased considerably to $86,298 (September 30, 2012-$51,636), due to additional travel for finance/investor relations activities in the current period. Exchange gain was $168 (September 30, 2012 – $6,721 loss) due to the foreign currency fluctuation on the Company's US dollar denominated funds. Interest income increased to $13,467 (September 30, 2012 - $5,805) on the Company's deposits as the Company held on average more cash in the current period compared to the previous year.

Results of Operations for the nine months ended September 30, 2013 and 2012

Dolly Varden Property

Total exploration costs (ignoring tax credits) incurred during the nine months ended September 30, 2013, amounted to $3,729,774 (September 30, 2012 - $2,256,800).). Direct comparison of the field exploration costs from 2012 to 2013 is impacted by the timing of the field work which covered the period from late June to September 4 in 2013, and in 2012, the field program began on September 2, and operated until demobilization was complete on November 3, 2012. Included in exploration costs was $488,554 (September 30, 2012 - $399,910) related to geological & geoscience consulting fees, $111,352 (September 30, 2012 -$51,480) in data and sampling analysis, $124,787 (September 30, 2012 - $93,910) in field labour & support, $737,860 (September 30, 2012 - $495,105) in field project supervision and management, $267,590 (September 30, 2012 - $155,175) in mapping and modelling, $23,753 (September 30, 2012 - $108,023) in survey and assessment costs, $234,685 (September 30, 2012 - $90,770) in rental equipment and warehouse costs, $35,758 (September 30, 2012 – $28,781), in claim maintenance costs, $549,487 (September 30, 2012 –$233,666) in transport, travel, and accommodation costs, $251,884 (September 30, 2012 - $116,480) on camp, food, supplies and miscellaneous costs, $67,613 (September 30, 2012 - $59,767) on assay costs, $48,381 (September 30, 2012 - $59,379) on depreciation, $103,374 (September 30, 2012 - $59,936) on fuel, $173,420 (September 30, 2012 - $95,520) on geotechnical studies, $108,181 (September 30, 2012 - $101,000) on road and drill pad preparation, $85,940 (September 30, 2012 - $20,000) on site preparation and $317,155 (September 30, 2012 – $87,898) on drilling. As at September 30, 2013, ignoring tax credits, the Company had accumulated $12,306,070 (September 30, 2012 - $6,764,514) in exploration costs on the Dolly Varden Property.

Iskut Property

The Company, as part of the amalgamation with Twin, acquired 100% ownership of the Iskut Property in the first quarter of 2012. No exploration costs were incurred on the property during the nine month period ended September 30, 2013 (September 30, 2012 - $13,590). As at September 30, 2013, the Company had accumulated $46,230 (September 30, 2012 - $13,590) in exploration costs on the Iskut Property. The property is in good standing.

Musketeer Property

On March 18, 2013, the Company entered into an option agreement to acquire 100% interest in the Musketeer property located in northwestern British Columbia, Canada for a purchase price of $1,050,000 payable over four years, subject to a 2% NSR. The Company has the option to reduce the NSR by 1% by paying $1,750,000 to the royalty holders within 3 years of acquiring the Musketeer property.

The Company paid an aggregate option payment of $350,000 on March 18, 2013 and the remaining option payments are due as follow:

February 14, 2014	$233,333
February 13, 2015	$233,333
February 12, 2016	$233,334

During the nine months ended September 30, 2013, $196 in claims maintenance costs were incurred on the property. As at September 30, 2013, the Company had incurred $196 (September 30, 2012 – N/A) in exploration costs on the Musketeer Property.

Operating Expenses

Administrative & Consulting fees in the nine months ended September 30, 2013 were $78,279 (September 30, 2012 - $61,313), the increase due to the contracting of services that were previously performed by salaried staff. Directors' fees increased to $106,489 (September 30, 2012 - $Nil) as external Board members did not receive meeting and committee fees until 2013. Management fees decreased to $164,000 (September 30, 2012 - $176,500) as the President & CEO voluntarily reduced his fees as a cost saving measure. Marketing and communications costs were down to $224,747 (September 30, 2012 - $271,425) as the Company reduced the use of external investor relations services. Office expense decreased substantially to $51,988 (September 30, 2012 - $71,538) as one-time expenditures were incurred in early 2012 related to preparing the new office space. Professional fees were down substantially to $136,049 (September 30, 2012- $212,376), as the Company incurred higher legal costs in its first year. Rent and maintenance decreased to $44,065 (September 30, 2012 - $49,150) as a previous satellite office was eliminated. Salaries and benefits were down significantly at $106,202 (September 30, 2012 - $132,323) due to reduction in office staffing. Share-based compensation decreased significantly to $734,851 (September 30, 2012 - $1,470,831), the much higher amount of 2012 due to relatively higher valued stock option grants as a result of a higher share price at that time. Transfer agent and filing fees decreased substantially to $30,237 (September 30, 2012 - $103,469), the much higher amount of 2012 related to the public listing of that period. Travel costs increased considerably to $200,279 (September 30, 2012 - $100,042), due to additional travel for financing/investor relations activities in the current period. Exchange gain was $596 (September 30, 2012 – $7,155 loss) due to the foreign currency fluctuation on the Company's US dollar denominated funds. Interest income increased to $29,100

(September 30, 2012 - $12,557) on the Company's deposits as the Company held more cash on average in the current period compared to the previous year.

Liquidity and Capital Resources

At September 30, 2013, the Company's working capital was $1,290,685 (December 31, 2012 - $491,314). The source of cash has been solely from equity financing.

At the date of this MD&A, the Company has sufficient funds to carry out its day-to-day operations, albeit with limited exploration, for the next 6 months. As at September 30, 2013, the Company had a cash balance of $975,227 (December 31, 2012 - $1,270,135) to settle current liabilities of $622,745 (December 31, 2012 - $1,145,293). The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing. At this time, the Company has sufficient cash to pay all of its current liabilities. There is no assurance that the Company will be able to obtain sufficient capital in the case of operating cash deficits.

Transactions with Related Parties

The Company's related parties consist of directors and officers (being key management personnel), companies with directors and officers in common and/or companies owned in whole or in part by executive officers and/or directors of the Company. The Company incurred the following related party transactions:

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Allen Ambrose, Director				
Director's fees	$ 8,533	$ -	$ 23,033	$ -
Share-based compensation (stock options)	-	-	-	142,141
	8,533	-	23,033	142,141
Allan Marter, Director				
Director's fees	$ 10,250	$ -	$ 26,750	$ -
Share-based compensation (stock options)	-	-	-	195,810
	10,250	-	26,750	195,810
Connie Norman, Corporate Secretary				
Management & Consulting fees	$ 6,750	$ -	$ 17,550	$ -
Share-based compensation (stock options)	34,500	-	34,500	-
	41,250	-	52,050	-
Daisy Duong, CFO (to June 28, 2013)				
Salaries and benefits	$ -	$ 32,500	$ 84,278	$ 106,183
Share-based compensation (stock options)	-	-	-	75,808
	-	32,500	84,278	181,991
George Heard, Director				
Director's fees	$ 3,641	$ -	$ 3,641	$ -
Share-based compensation (stock options)	103,500	-	103,500	-
	107,141	-	107,141	-

Ian He, Director				
Director's fees	$ 3,641	$ -	$ 3,641	$ -
Share-based compensation (stock options)	103,500	-	103,500	-
	107,141	-	107,141	-
Ian Smith, Director				
Director's fees	$ 4,370	$ -	$ 4,370	$ -
Share-based compensation (stock options)	103,500	-	103,500	-
	107,870	-	107,870	-
John King Burns, Director				
Director's fees	$ 10,000	$ -	$ 30,000	$ -
Share-based compensation (stock options)	-	-	-	142,141
	10,000	-	30,000	142,141
Keith Margetson, CFO				
Management & Consulting fees	$ 9,000	$ -	$ 9,000	$ -
Share-based compensation (stock options)	55,200	-	55,200	-
	64,200	-	64,200	-
Paul McGuigan, VP Exploration, or a company controlled by Paul McGuigan				
Costs included in exploration and evaluation assets	$ 889,659	$ 957,365	$ 1,877,555	$ 1,399,690
Management & Consulting fees	13,695	14,232	15,439	20,232
Share-based compensation (stock options)	-	-	-	189,521
	903,354	971,597	1,892,994	1,609,443
Ron Nichols, CEO, or a company controlled by Ron Nichols				
Management & Consulting fees	$ 46,500	$ 57,000	$ 164,000	$ 176,500
Share-based compensation (stock options)	-	-	-	189,521
	46,500	57,000	164,000	366,021
Rosie Moore, Director				
Director's fees	$ 3,641	$ -	$ 3,641	$ -
Share-based compensation (stock options)	103,500	-	103,500	-
	107,141	-	107,141	-
Theo Sanidas, Director, or a company controlled by Theo Sanidas or a company to which Theo Sanidas has an indirect interest				
Costs included in exploration and evaluation assets	$ 2,500	$ 7,500	$ 17,500	$ 22,500
Director's fees	1,413	-	11,413	12,000
Share-based compensation (stock options)	-	-	-	142,141
	3,913	7,500	28,913	176,641
Total related party transactions	$ 1,517,293	$ 1,068,597	$ 2,795,511	$ 2,814,188

At September 30, 2013, included in accounts payable and accrued liabilities is $249,589 owed to Cambria Geosciences Inc. (Paul McGuigan, VP Exploration) (December 31, 2012 - $1,031,858), $106,489 owing to the external Board of Directors (December 31, 2012 - $Nil) for directors' fees. An additional $13,360 was owed to two companies owned by officers and to a director.

At September 30, 2013, included in receivables is $Nil owed by Cambria Geosciences Inc. (Paul McGuigan, VP Exploration) (December 31, 2012 - $89,930).

Certain directors, namely John King Burns and Paul McGuigan no longer have any entitlement of interest in the Company that holds the 2% NSR and License agreement on the Dolly Varden property. Only Mr. Theo Sanidas had entitlement of interest in the Company that holds the 2% NSR and License agreement on the Dolly Varden property. However, Mr. Sanidas ceased to be a director on July 26, 2013.

Financial Instruments and Risk Management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, receivables, deposits, and accounts payable and accrued liabilities.

Financial instruments

Cash and deposits are measured at fair value using level one as the basis for measurement in the fair value hierarchy. The carrying value of receivables, payables and accrued liabilities, approximate fair value because of the short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank balances and GIC investment at reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments also included receivable from government agencies. The Company limits its exposure to credit loss for cash and equivalents by placing its cash and equivalents with high quality financial institutions.

Liquidity risk

The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing through the issuance of additional securities, the entering into credit facilities or the entering into joint ventures, partnerships or other similar arrangements. As at September 30, 2013, the Company had a cash balance of $975,227 to settle current liabilities of $622,745. The Company's current policy is to invest excess cash in Guaranteed Investment certificates issued by its banking institutions.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are redeemable at any time and interest can be earned up to the date of redemption.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's future mining operations will be significantly affected by changes in the market prices for silver. Precious metal prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, and stability of exchange rates can all cause significant fluctuations in commodity prices.

Other risks

The Company is subject to risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to, continuing losses, dependence on key individuals, and the ability to secure adequate financing to meet minimum capital required to successfully complete its projects and continue as a going concern. These factors should be reviewed carefully.

The following risk factors, in addition to the risks noted above in the "Financial Instruments and Risk Management" section, should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business.

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge of management and key employees and contractors of the Company may not eliminate. Few exploration and evaluation assets 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 result in the definition of a mineral resource. 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 expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing silver and other exploration and evaluation assets is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of the Company's exploration and evaluation assets may have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company's exploration and evaluation assets are located, which are subject to poor climate conditions. The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its exploration and evaluation assets and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Substantial Capital Requirements

Management of the Company anticipates that it may make substantial future capital expenditures for the acquisition, exploration, development and production of its exploration and evaluation assets. As the Company will be at the exploration stage with no revenue being generated from the exploration activities on its exploration and evaluation assets, the Company may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in its exploration and evaluation assets, miss certain acquisition opportunities and reduce or terminate its operations.

Competition

The mining industry is highly competitive. Many of the Company's competitors for the acquisition, exploration, production and development of exploration and evaluation assets, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than the Company.

Volatility of Mineral Prices

The market price of any mineral is volatile and is affected by numerous factors that are beyond the Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, 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. 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.

Mineral Reserves / Mineral Resources

The Company's exploration and evaluation assets are considered to be in the early exploration stage only and do not contain a known body of commercial minerals. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for exploration and evaluation assets that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Recent Global Financial Conditions

Recent global financial conditions have been subject to increased volatility. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the shares of the Company could be adversely affected.

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 and state and municipal 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 wells and facility sites 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. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing exploration and evaluation assets or require abandonment or delays in the development of new mining properties.

Reliance on Key Personnel

The success of the Company will be largely dependent upon the performance of its management and key employees and contractors. In assessing the risk of an investment in the shares of the Company, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of the Company.

Conflicts of Interest

Certain 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. 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 (British Columbia) (the "BCBCA") provides that in the event that a director or senior officer has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director or senior officer must disclose his or her interest in such contract or agreement and a director must 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. To the knowledge of the management of the Company, as at the date hereof, there are no existing or potential material conflicts of interest between the Company and a director or officer of the Company except as otherwise disclosed in this MD&A.

Dividends

To date, the Company has not paid any dividends on its outstanding common shares. Any decision to pay dividends on the shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

Substantial number of authorized but unissued shares

The Company has an unlimited number of common shares which may be issued by the Board without further action or approval of the Company's shareholders, except in limited circumstances. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Permits and Licenses

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 native populations. 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 mineral property 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 its exploration and evaluation assets may decline.

Title Risks

The acquisition of title to exploration and evaluation assets or interests therein is a very detailed and time-consuming process. The exploration and evaluation assets may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Limited Operating History

The Company was incorporated on March 4, 2011 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any 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. Even if the Company does undertake exploration activity on its exploration and evaluation assets, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks

The Company, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs.

Furthermore, the Company may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Accounting Standards, amendments and interpretations issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2013, and have not been applied in preparing the unaudited interim condensed financial statements for the three and nine month periods ended September 30, 2013 or this MD&A .

Effective for annual periods beginning on or after January 1, 2015

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The amendments are effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

The Company does not anticipate that the above item will have a significant impact on its financial statements.

Management's Responsibility for Financial Statements

The information included in the audited financial statements and this MD&A is the responsibility of management, and their preparation in accordance with IFRS requires management to make estimates and their assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of expenses during the reported period. Actual results could differ from those estimates.

Off Balance Sheet Arrangements

The Company is not party to any off balance sheet arrangements.

Disclosure of Outstanding Share Data

The Company has unlimited authorized common shares and the issued and outstanding share capital at the date of this MD&A is:

	Common shares Issued and Outstanding	Warrants	Options
Balance at December 31, 2012	103,327,500	10,007,500	7,600,000
Expired warrants		(3,262,200)	-
Exercised warrants	1,532,500	(1,532,500)	-
Issued common shares	26,537,919	-	-
Issued warrants		1,613,750	-
Issued stock options	-	-	5,539,750
Balance at September 30, 2013	131,397,919	6,826,550	13,139,750
Balance as at the date of this MD&A	131,397,919	6,826,550	13,139,750