This management discussion and analysis ("MD&A") has been prepared based on information available to Mammoth Resources Corp. ("Mammoth" or the "Company") as at May 14, 2013. The MD&A of the operating results and financial condition of the Company for the year ended January 31, 2013, should be read in conjunction with the Company's consolidated financial statements (the "Financial Statements") and the related notes for the year ended January 31, 2013, prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com or on the Company's website at www.mammothresources.ca.

Business Overview and Overall Performance

Business overview

The Company was incorporated under the provisions of the *Business Corporations* Act (British Columbia) on January 7, 2011. The head office of the Company is located at The Exchange Tower, 2120-130 King Street West, Toronto, Ontario, Canada M5X 1C8. The registered and records office of the Company is located at Suite 2600, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada V6E 3X1. The Company's common shares trade on the TSX Venture Exchange under the symbol MTH.

From the date of its incorporation until December 27, 2011, the Company was classified as a Capital Pool Company and its principal business was the identification and evaluation of companies, assets or businesses with a view to completing a Qualifying Transaction ("QT") in accordance with Policy 2.4 of the TSX Venture Exchange (the "Exchange"). On September 8, 2011, the Company entered into an option agreement and subsequent amending agreements with Yale Resources Ltd. ("Yale") pursuant to which the Company can earn up to an undivided 100% interest in 11 mining concessions in Mexico, known as the Urique Project, owned by Yale and Yale's Mexican subsidiary, Minera Alta Vista SA de CV ("Minera AV") (See *Urique Project, Mexico*). On December 23, 2011 the Exchange approved the option agreement as the Company's QT pursuant to the policies of the Exchange and the Company was no longer classified as a Capital Pool Company. At that time the Company changed its name to Mammoth Resources Corp.

At January 31, 2013, the Company had a working capital of $191,750, had not yet achieved profitable operations and has an accumulated deficit of $995,235 since its inception. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on its exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

Highlights for the year ended January 31, 2013

- For the year ended January 31, 2013, the Company recorded a loss and comprehensive loss of $483,504 or $0.03 loss per share.

- As at January 31, 2013, the Company had total assets of $1,152,522 (January 31, 2012 - $1,498,275) consisting primarily of cash and exploration and evaluation assets associated with the Urique and Tenoriba Projects. The Company had working capital of $191,750 (January 31, 2012 - $1,166,423).

- The Company continued to advance its exploration program at the Urique and Tenoriba Projects and recorded deferred exploration and evaluation costs of $624,730 during the year ended January 31, 2013.

- On July 3, 2012 the Company signed a definitive agreement to option the Tenoriba gold and silver project located in southwestern Chihuahua State, Mexico (the "Agreement"). Tenoriba is comprised of three concessions, Mapy 1, Mapy 2 and Fernanda, covering a land package of approximately 8,100 hectares located approximately 100 kilometres south-southwest of Mammoth's Urique Project.

- On October 18, 2012 the Company reported the preliminary results from work consolidating historical data generated from the Tenoriba Property located in Chihuahua State, Mexico wherein a 5.0 kilometre by 2.0 kilometre, generally east – west striking soil gold anomaly was outlined with numerous surface rock samples assaying greater than 5.0 gram per tonne (g/t) gold up to as high as 23.50 g/t gold.

- On October 9, 2012 the Company reported results from the first phase of its field exploration program at the 28,970 hectare Urique Project, located in Chihuahua State, Mexico wherein the seven month long field program included prospecting, detailed mapping, trenching, rehabilitation of the underground workings at the el Rosario mine, and the collection of 597 rock samples and 74 geochemical samples taken from a total of 25 occurrences and/or targets and where a number of very attractive grades of gold and silver were obtained from the rehabilitated, historic El Rosario mine, including:
    - 1.7 metres grading 9.74 g/t gold and 356.7 gpt silver (16.23 g/t gold equivalent);
    - 1.2 metres grading 5.16 g/t gold and 153.8 g/t silver (7.96 g/t gold equivalent);
    - 5.0 metres grading 0.78 g/t gold and 257.0 g/t silver (4.45 g/t gold equivalent); and
    - 2.3 m grading 1.69 g/t gold and 153.8 g/t silver (3.37 g/t gold equivalent).

- On May 23, 2012 the Company announced additional gold and silver results from its ongoing mapping, trenching and sampling program at the 290 square kilometre Urique Project. Seven target areas within this southern portion of the Urique Project have been prospected and/or mapped and sampled. As extracted from the Company's news release, which is available on www.SEDAR.com, some of the better results of this work include:
    - 1.5 metres grading 4.77 g/t gold and 49.5 g/t silver in sample 701423;
    - 4.2 metres grading 1.21 g/t gold and 12.59 g/t silver in samples 701212-14; including
    - 1.4 metres grading 2.03 g/t gold and 14.4 g/t silver in sample 701212.

Urique Project, Mexico

On September 8, 2011, the Company entered into an option agreement with Yale, subsequently amended by an amending agreement dated October 7, 2011 (the "Amending Agreement"), pursuant to which the Company can earn up to an undivided 100% interest in 11 mining concessions in Mexico, known as the Urique Project, owned by Yale and Yale's Mexican subsidiary, Minera AV (the "Option Agreement"). The Option Agreement constitutes the Company's QT pursuant to the policies of the Exchange and was approved by the Exchange on December 23, 2011.

In February 2012, the Company and Yale executed an Amended and Restated Option Agreement (the "Amended and Restated Option Agreement") pursuant to which the Company and Yale agreed to amend and restate the terms of the Option Agreement to reflect the terms of the Amending Agreement and further amendments agreed to by the parties. Under the terms of the Amended and Restated Option Agreement in order to earn an undivided 70% interest in the Property, the Company must (i) pay $50,000 to Yale (paid), (ii) issue a total of 1,700,000 shares to Yale on or before January 31, 2016, and (iii) incur a total of $3,000,000 in exploration expenditures on the Property on or before January 31, 2016.

In order to earn the remaining 30% interest in the Property from Yale, the Company must issue an additional 500,000 common shares and must have completed a resource estimate on the property delineating at least 300,000 equivalent ounces of gold in the measured and indicated categories on or before January 31, 2018. Furthermore, the Company must issue an additional share for each equivalent ounce of gold within the measured and indicated categories, subject to a minimum of 300,000 shares and a maximum of 2,000,000 shares. There is currently a 2% net smelter return ("NSR") royalty payable to Dia Bras Exploration Inc., a third party, in connection with 10 of 11 of the mining concessions comprising the Property, 1% of which may be purchased for $1,000,000. Upon the exercise of the remaining 30% interest in the Property, a 2% NSR royalty will be granted to Yale on the San Pedro, 1% of which may be purchased for $500,000.

If the Company elects not to proceed to earn the remaining 30% interest in the Property, the parties will form a 70%/30% joint venture and will contribute to further exploration in accordance with their respective joint venture interest.

Pursuant to the Amended and Restated Option Agreement the Company will issue to Yale 1,700,000 common shares as follows:

1. 100,000 common shares upon receipt of approval by the Exchange of the QT (issued December 23, 2011 with a value of $25,000);
2. 100,000 common shares on or before July 31, 2012 (not issued, see below);
3. 200,000 common shares on or before January 31, 2013 (not issued, see below);
4. 100,000 common shares on or before July 31, 2013;
5. 400,000 common shares on or before January 31, 2014;
6. 400,000 common shares on or before January 31, 2015; and
7. 400,000 shares on or before January 31, 2016.

Yale has agreed to contribute a total of $125,000 towards taxes owing on the concessions comprising the Urique Property during the term of the Amended and Restated Option Agreement. The share issuances in 2, 3 and 4 above are conditional upon receipt of such contributions from Yale. Yale opted not to contribute towards taxes owing during the period and therefore the shares referenced in 2 above are not issuable.

In addition, pursuant to the Amended and Restated Option Agreement the Company will incur exploration expenditures on the Urique Project of $3,000,000 as follows:

1. $800,000 on or before January 31, 2014;
2. an additional $800,000 on or before January 31, 2015; and
3. an additional $1,400,000 on or before January 31, 2016;

Upon termination of the Amended and Restated Option Agreement, the Company has the obligation to provided funds to Yale to maintain the Urique Project in good standing for the entire tax semester following the date of the termination.

(Expressed in Canadian Dollars)

The Company has incurred the following acquisition and deferred exploration costs on the Urique Project:

	Urique Project $
Acquisition cost, January 31, 2012 and January 31, 2013	75,000
Deferred exploration costs, January 31, 2012	121,059
Additions for year ended January 31, 2013	
Administration	13,727
Communications	200
Depreciation	3,383
Geology	218,417
Geochemistry	17,982
Management fees & services	21,579
Supplies	1,716
Taxes and permitting	36,861
Travel & accommodation	45,365
	359,230
Deferred exploration costs, January 31, 2013	480,289
Total exploration and evaluation assets, January 31, 2013	555,289

<u>Tenoriba Project, Mexico</u>

On July 3, 2012 the Company signed a definitive agreement to option the Tenoriba gold and silver project located in southwestern Chihuahua State, Mexico (the "Agreement"). Tenoriba is comprised of three concessions, Mapy 1, Mapy 2 and Fernanda, covering a land package of approximately 8,100 hectares located approximately 100 kilometres south-southwest of Mammoth's Urique Project.

The terms of the Agreement permit the Company to acquire 100 percent of the Tenoriba property by issuing a total of 900,000 common shares and making total cash payments of $160,000 to the vendors over the four year option period and spending US$1,000,000 in exploration expenditures on or before June 30, 2016. In addition, the Company has recently paid US$40,000 in property back-taxes owing to the Mexican government. The Agreement also allows for a 2 percent Net Smelter Return royalty payable to the vendors upon commercial production. The royalty can be purchased by the Company at any time within a three year period from commencement of commercial production for US$1,500,000.

<u>'Fernadad' Concession Option Details</u>
Pursuant to the Option Agreement the Company will issue 425,000 common shares and make cash payments of $97,500 USD as follows:

1. 50,000 common shares and USD$5,000 on or before December 30, 2012 (issued and paid subsequent to year end);
2. 50,000 common shares and USD$5,000 on or before June 30, 2013
3. 50,000 common shares and USD$12,500 on or before December 30, 2013
4. 50,000 common shares and USD$12,500 on or before June 30, 2014;
5. 50,000 common shares and USD$12,500 on or before December 30, 2014;
6. 50,000 common shares and USD$12,500 on or before June 30, 2015
7. 62,500 common shares and USD$18,750 on or before December 30, 2015 and
8. 62,500 common shares and USD$18,750 on or before June 30, 2016

(Expressed in Canadian Dollars)

The shares and payment due on or before December 30, 2012 were satisfied on May 10, 2013.

<u>'Mapy' Concession Option Details</u>
Pursuant to the Option Agreement the Company will issue 475,000 common shares and make cash payments of $62,500 USD as follows:

1. 75,000 common shares on or before December 30, 2013;
2. 75,000 common shares on or before June 30, 2014;
3. 75,000 common shares and USD$12,500 on or before December 30, 2014;
4. 75,000 common shares and USD$12,500 on or before June 30, 2015;
5. 87,500 common shares and USD$18,750 on or before December 30, 2015 and;
6. 87,500 common shares and USD$18,750 on or before June 30, 2016

The Company has incurred the following acquisition and deferred exploration costs on the Tenoriba Project:

	Tenoriba Project $
Additions for year ended January 31, 2013	
Depreciation	1,848
Geology	53,818
Legal,accounting & professional fees	8,044
Rent	13,709
Supplies	28,660
Taxes and permitting	86,667
Travel & accommodation	4,329
Total exploration and evaluation assets, January 31, 2013	197,075

Richard Simpson, P. Geo., Vice-President Exploration for Mammoth Resources Corp. is Mammoth's Qualified Person, according to National Instrument 43-101 and supervised the preparation of the technical information contained in this MD&A in compliance with NI 43-101.

Results of Operations

The following discussion and analysis of the Company's financial results of its operations should be read in conjunction with the Company's condensed consolidated interim unaudited financial statements and related notes.

Year ended January 31, 2013
For the year ended January 31, 2013 the Company reported a loss and comprehensive loss of $483,504 (2012 - $502,702). Total expenses for the year ended January 31, 2013 were $485,211 ($505,779 for the year ended January 31, 2012, during this period the Company was completing its qualifying transaction and expenses are not reflective of normal operations).

Professional fees of $121,240 during the period (2012 - $98,208) include legal fees in normal course activities, and the completion of the Tenoriba option agreement and accounting fees, and an audit fee accrual for the current year end audit. Consulting fees of $134,986 during the period (2012 - $781) include the cost of the CEO and Vice-President, Exploration during the period.

(Expressed in Canadian Dollars)

Share-based payments were $95,447 for the period (2012 - $361,101). The amount expensed in the period relates to the 1,290,000 stock options that vested to the CEO and the Vice-President, Exploration and new directors. The fair value of the stock options granted was determined using the Black-Scholes pricing model.

Selected Annual Information

Year ended January 31	**2013**	2012	2011
	$	$	$
Net loss for the year	**483,504**	501,702	10,029
Cash flow used in operating activities	**405,028**	143,057	29
Total assets	**1,152,522**	1,498,275	631,791
Loss per share (basic and diluted)	**0.03**	0.04	0.00

Summary of Quarterly Results

The following information is derived from the Company's unaudited quarterly financial statements for the preceding seven quarters.

	January 31 2013	**October 31 2012**	**July 31 2012**	**April 30 2012**
	$	$	$	$
Total assets	1,152,522	1,113,975	1,230,607	1,380,330
Shareholders' equity	1,032,551	1,094,526	1,166,231	1,320,604
Total revenues	nil	nil	nil	nil
Loss and comprehensive loss	106,190	94,221	187,309	97,491
Loss and comprehensive loss per share - basic	0.02	0.00	0.01	0.00

	January 31 2012	**October 31 2011**	**July 31 2011**	**April 30 2011**
	$	$	$	$
Total assets	1,498,275	827,744	850,058	632,349
Shareholders' equity	1,391,823	818,239	843,289	597,349
Total revenues	nil	nil	nil	nil
Loss and comprehensive loss	158,637	25,050	293,393	24,622
Loss and comprehensive loss per share - basic	0.01	0.00	0.07	0.01

Note 1: The Company was incorporated on January 7, 2011 and accordingly has been reporting its financial results in accordance with International Financial Reporting Standards. The Company did not have any financial results prior to 2011 and as a result, none of its financial statements have been subject to Canadian Generally Accepted Accounting Principles.
Note 2: Included in the net loss during the period ending July 31, 2011 of $293,393 is stock-based compensation of $286,241. The amount expensed during the period relates to the 1,275,000 stock options granted to directors and an officer of the Company. The fair value of the stock options granted was determined using the Black-Scholes pricing model.

Three months ended January 31, 2013
Professional fees were $36,977 for the period. The amount expensed during the period reflects the accounting, audit and legal costs incurred in the period.

Consulting fees were $14,723 for the period and reflect the routine costs of the management compensation.

Share based payments was $15,429 for the period. The amount expensed relates to stock options that vest during the period.

(Expressed in Canadian Dollars)

Three months ended January 31, 2012
Accounting and audit fees (included in professional fees) were $20,310 for the period. The amount expensed during the period reflects the Company's fourth quarter accrual of the 2012 annual audit costs and annual corporate tax return filing and costs related to the QT filings.

Legal fees (included in professional fees) were $45,111 for the period. These legal costs pertain to the Company's QT and related regulatory filings.

Share based payments was $74,860 for the period. The amount expensed period relates to the 300,000 stock options granted to a new director and a director and officer upon completion of the QT and 300,000 stock options granted to the VP Exploration at the time of his appointment in January 2012. The fair value of the stock options granted was determined using the Black-Scholes pricing model.

Liquidity

The Company currently has no operating revenues and relies primarily on equity financing. As at January 31, 2013, the Company had a working capital of $191,750.

For the year ended January 31, 2013, the Company incurred a net loss of $483,504 (2012 - $501,702), had used cash in operations of $405,028 (2011 - $143,057), and as at January 31, 2013, had an accumulated deficit of $995,235 (January 31, 2012 - $511,731) and a working capital surplus of $191,750 (January 31, 2012 - $1,166,423). The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations; or the ability of the Company to raise alternative financing; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to continue as a going concern. Changes in future conditions could require material write-downs of the carrying values.

Capital Resources

The Company's only source of funding has been the issuance of equity securities for cash. Management believes it will be able to raise equity capital as required in the long term, but recognize there will be risks involved that may be beyond its control. The Company has no outstanding debt facility upon which to draw.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company defines its key management as the Chairman of the Board, Chief Executive Officer and Chief Financial Officer. For the year ended January 31, 2013, key management compensation included $166,916 (2012 - $368,851).

The following table summarizes information on related party transactions:

For the year ended January 31	**2013**	2012
	$	$

Accounting fees	**33.589**	1,500
Consulting fees	**111,330**	6,250
Share – based payments	**21,997**	361,101
	166,916	368,851

At January 31, 2013 related party account payables was $9,984 (2012 - $10,855).

Proposed Transactions

The Company is actively identifying and evaluating prospective projects in line with its business strategy to option or acquire further projects with the potential to create value for shareholders.

Critical Accounting Estimates

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

1. the recoverability of receivables;
2. whether or not an impairment has occurred in its exploration and evaluation assets;
3. the inputs used in the accounting for share-based payments;
4. the inputs used in the accounting for options and compensation options in share capital and equity reserves; and
5. the estimated useful lives of the equipment and whether or not an impairment has occurred.

Critical Accounting Judgments
The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Accounting Policies and Recent Accounting Pronouncements

The Company's significant accounting policies are presented in Note 4 of the annual audited financial statements for the year ended January 31, 2013.

Outstanding Share Data

The following describes the outstanding share data of the Company as at May 14, 2013.

	Number Outstanding
Common shares	16,185,000
Options to purchase common shares	2,833,000
Warrants to purchase common shares	3,000,000

Financial instrument risk management

a) Fair value of financial instruments

The carrying value of cash and trade and other payables approximates fair value due to the short-term nature of these financial instruments.

b) Risk management

Credit risk
The Company's credit risk is primarily attributable to its cash and government taxes recoverable. The risk exposure is limited to their carrying values at the statement of financial position date. Cash is held as cash deposits with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Government taxes recoverable consists of input tax credits reimbursable to the Company.

Interest rate risk
The Company is not exposed to interest rate risk since it has no interest-bearing debt and its cash balances are not invested in interest-bearing instruments.

Liquidity risk
The Company's objective is to ensure that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As January 31, 2013, the Company has $252,904 in cash to settle current liabilities of $119,971. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

Price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk
The Company operates in Canada and Mexico, and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements of purchased any instruments to hedge possible currency risks at this time.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, currency risk and credit risk.

Risk Factors

The operations of the Company are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Estimation of Mineralization, Resources and Reserves
There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material change in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of a project. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production.

Infrastructure
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's activities and profitability.

Title Matters
Any changes in the laws of Mexico relating to mining could materially affect the rights to the interests held there by the Company. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements

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

Funding Requirements
Mining exploration and development involves financial risk and capital investment. The continuance of the Company's development and exploration activities and its growth through the acquisition of exploration, development or production assets depend upon the Company's ability to generate positive cash flows, private and public equity financing, debt and/or other means. There is no assurance that the Company will be successful in obtaining additional financing on a timely basis or continue to generate positive cash flows.

Uninsured Risks
The mining business is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.
The Company maintains insurance against certain risks associated with its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting claim.

History of profitability
The Company has no history of profitability and a shareholder deficit of $995,235 as at January 31, 2013. There can be no assurance that the Company's ongoing working capital requirements, corporate and administrative expenses, debt service, capital expenditure requirements and other contractual obligations can be met. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and may require additional financing to further explore, develop, operate, acquire and retain its property interests and if financing is not available for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business.

Foreign Operations
Operations, development and exploration activities carried out by the Company are or may be affected to varying degrees by taxes and government regulations relating to such matters as environmental protection, land use, water use, health, safety, labour, restrictions on production, price controls, currency remittance, maintenance of mineral rights, mineral tenure, and expropriation of property. There is no assurance that future changes in taxes or such regulation in the various jurisdictions in which the Company operates will not adversely affect the Company's operations. Industrial disruptions, work stoppages and accidents in the course of the Company's operations can result in future production losses and delays, which may adversely affect future profitability. Although the operating environment in Mexico is considered favorable compared to that in other developing countries, with various government incentives offered to attract international investment into Mexico, there are still political risks. The risks include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation and labor unrest.

Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, maintenance of claims, environmental legislation, expropriation of property, land use, land claims of local people, water use and safety. The effect of these factors cannot be accurately predicted.

Exploration and Development Risks
The successful exploration and development of mineral properties is speculative and subject to a number of uncertainties which even a combination of careful evaluation, experience and knowledge may not eliminate. There is no certainty that the expenditures made or to be made by the Company in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of mineralized materials in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable deposits. While discovery of a base metal or precious metal bearing structure may result in substantial rewards, few properties that are explored are ultimately

developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that exploration programs carried out by the Company will result in profitable commercial mining operations.

The Company's operations are subject to all of the hazards and risks normally incident to mineral exploration, mine development and operation, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The Company's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards such as unusual or unexpected formations, pressures or other conditions may also be encountered.

Environmental and Other Regulatory Requirements
The current or future operations of the Company, including development activities and, if warranted, commencement of production on properties in which it has an interest, require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. However, there can be no assurance that all permits which the Company may require for the conduct of mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such mineral exploration or development which the Company might undertake. Amendments to current laws, regulations and permits governing operations and activities of mineral exploration companies, or more stringent interpretation, implementation or enforcement thereof, could have a material adverse impact on the Company.

Mining and Investment Policies
Changes in mining or investment policies or shifts in political attitude may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety regulations. The effect of these factors cannot be accurately predicted.

Hedging and Foreign Exchange
While hedging of commodity prices and foreign exchange and interest rates is possible, there is no guarantee that appropriate hedging will be available at an acceptable cost should the Company choose or need to enter into these types of transactions.

The Company operates in Canada and Mexico, and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Cautionary Note Regarding Forward-looking Information

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

Internal Controls and Disclosure Controls over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is now required to file basic certificates, which it has done for the year ended January 31, 2013. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at January 31, 2013.