The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that affected Candente Gold Corp. ("Candente Gold") and its subsidiaries (collectively the "Company") during the relevant reporting period and to the date of this report. It contains a review and analysis of the financial results for the year ended March 31, 2014 and identifies business risks that the Company faces and comments on the financial resources required for the development of the business.

This MD&A supplements, but does not form part of the consolidated financial statements of the Company and the notes thereto for the year ended March 31, 2014 and 2013, and consequently should be read in conjunction with the afore-mentioned consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). The information in this MD&A is current as of June 26, 2014.

All amounts, unless specifically identified as otherwise, both in the Company's consolidated financial statements and this MD&A are expressed in US dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenues, requirements for additional capital, production costs and revenue, future demand for and prices of gold and precious metals, business prospects and opportunities. In addition, statements relating to mineral estimates or mineralized material of recoverable gold and precious metals are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the gold and precious metals can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective mineral resources; changes in project parameters as plans continue to be refined; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals and permits or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risks Factors" in this MD&A. These factors should be considered carefully and readers of this MD&A should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, Candente Gold assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

USE OF NON-GAAP MEASURES

In this document, we refer to terms that do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). Our usage of these terms may vary from the usage adapted by other companies and they cannot be reconciled to comparable terms in the issuer's, consolidated financial statements for the year ended March 31, 2014 and 2013.

In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

BUSINESS OVERVIEW AND STRATEGY

The Company is principally engaged in the exploration and development of mineral properties in Mexico and Peru. The Company is in the exploration stage as its properties have not yet reached commercial production and none of its properties is beyond the preliminary exploration stage. All work presently planned by the Company is directed at defining mineralization and increasing understanding of the characteristics of, and economics of, that mineralization. The Company's principal assets is the El Oro gold-silver property located in the states of Mexico and Michoacan, Mexico (the "El Oro Property" or the "Property") As of the date of this MD&A, the Company holds a 70% interest in the El Oro Property and 100% of rights to explore and reprocess tailings deposits that are located throughout the Municipality of Hidalgo, State of Mexico. The Company has commenced evaluation activities on the recently acquired gold and silver tailings deposit as well as to continue exploration of the mineral property. Exploration has been proposed to include detailed exploration target follow-up of 31 new priority surface targets identified by an ASTER/structural interpretation and compilation process as well as continued compilation and 3D model development and completion of a geo-statistical study to highlight higher grade controls at San Rafael that may apply to the district as a whole

PROJECT SUMMARY & OPERATIONAL OUTLOOK

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the section "Forward-Looking Statements" included with this MD&A. These factors are described under the heading "Risk Factors" and are Non-GAAP measures.

Mexico

El Oro Property

The El Oro Property is located in one of the most significant high Grade Gold-Silver Districts in Mexico approximately 110 km west-northwest of Mexico City in the states of Mexico and Michoacán within the El Oro and Tlalpujahua mining districts. The district hosts 57 known veins of which at least 20 veins have past production of precious metals. The majority of historic gold and silver production came from two principal veins, the Veta San Rafael and the Veta Verde with historic production to date of over 8 million ounces of gold equivalent. Historic mining grades were in the range of 19 to 80 grams per tonne ("g/t") gold and between 240-800 g/t silver. Company personnel have identified the existence of 143 drill holes, 115 historic shafts and 44 adits on the Property. The Company currently holds a 70% working interest in the Property.

Since 2006 the Company has completed a comprehensive exploration program that has resulted in the discovery of additional gold and silver mineralization well below the historical workings of the San Rafael Vein over a strike length of approximately 3.5 kilometers.

On July 27, 2012, the optionor Goldcorp S.A. de C.V. ("GoldCorp Mexico") and Desarrollos Mineros San Luis, S.A. de C.V. ("Desarrollos") confirmed that the Company had met all of its obligations for the exercise of the second option (pursuant to the Company's letter dated May 1, 2012) under the Letter

Agreement dated May 5, 2006 as amended pursuant to the agreement dated February 2, 2009 and September 30, 2009. By way of this letter, GoldCorp Mexico and Desarrollos elected not to proceed with the Back-In Option on part of the property, but elected to maintain their 30% undivided right, title and working interest in the entire property.

On June 12, 2013, the Company signed an agreement with the municipality of El Oro that provides the Company with access and processing rights to the tailing deposits from the historic El Oro mines which contain elevated levels of both gold and silver and which management believes may have the potential to be recovered economically. The tailings deposits lie within the town site of El Oro, are easily accessible and are immediately adjacent to existing road access, as well as power and water services. The first stage (Phase I) allows the Company a one year period to carry out the necessary test work to ascertain recoveries and potential economic viability of a tailings reclamation and reprocessing operation, for contributions of US$25,000 upon signing the Agreement and monthly contributions of US$3,000 starting 30 days after signing the Agreement. The contributions will be used to fund Social projects agreed to by both the Company and the Municipality. If Candente Gold decides to enter into the processing and the reclamation phase (Phase II), then an 8% Net Profits Interest ("NPI") will be paid to the municipality during the period of operation. If during any months of processing, there is no NPI due then a monthly contribution of US$3,000 will be made. Please also refer to news release dated June 13, 2013.

The Company is currently engaged in preliminary level assessment of the historic tailings produced from past operation of the Mexico gold mine, one of three old gold silver mines collectively referred to as the El Oro Mines. The Company recently received a preliminary level study from a respected independent consulting engineering firm indicating that the reclaim and reprocessing of the historic tailings offers the potential for a positive financial return. The study recommended that additional technical and financial assessment be performed to further develop the project. Subsequent to receipt of the preliminary independent study the Company embarked on a verification sampling program whereby samples were collected by trenching and auger sampling for comparison to a number of the historic sample assays. These samples were assayed for gold and silver and the results compared to the corresponding historic sample assays. The results compare well and appear to validate historic assay results that were checked. The company plans to use this new assay information along with historic assay data to develop an inferred resource estimate for these tailings. This resource estimate would provide the basis for completion of a Preliminary Economic Assessment Study compliant with NI 43-101 Guidelines.

The Company is planning to continue the exploration work on the tailings during the fiscal 2015.

Peru

During the year ended March 31, 2014, the Company paid $126,568 towards its 2013 concession fees and also received $43,876 from various parties for these same concession fees.

During the year, after evaluating exploration results for certain of the claims in Peru, in conjunction with the Company's exploration priorities the Company allowed certain claims to lapse in Peru which resulted in an impairment of $3.3 million.

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

Operating Highlights	**2014**	**2013**	**Change**	**% Change**
Exploration Operating Highlights				
Community relations and sustainability	**$ 21,405**	$ 120,133	**$(98,728)**	**(82.18%)**
Drilling	**367**	47,646	**(47,279)**	**(99.23%)**
Engineering studies	**12,336**	-	**12,336**	**100.00%**
Exploration: Data Compilation, Mapping, Geological Evaluations	**556,491**	685,992	**(129,501)**	**(18.88%)**
Project administration	**170,846**	560,343	**(389,497)**	**(69.51%)**

Total	**$ 761,445**	$ 1,414,114	**$(652,669)**	**(46.15%)**

Year Ended March 31, 2014 versus 2013

Below is a comparison of the exploration costs incurred above for the year ended March 31, 2014 with the year ended March 31, 2013:

- The Company's community relations costs consist of its sponsorship program with Save the Children in Mexico, and onsite programs involving the local community around El Oro and in Peru. The decrease of $98,728 from the year ended March 31, 2013 is the result of the Company's budget cutting measures.
- Included in the Company's drilling costs are costs related to contractor works, fuel, supplies and salaries of the drilling team. These costs decreased from the prior period because of the completion of the Company's detailed exploration program in 2013.
- Engineering studies were conducted with respect to a preliminary level study on the El Oro historic tailings.
- Exploration costs include costs of all geologic personnel and consultants in Mexico, Peru and Canada, mapping and 3-D modeling costs and civil works costs. Exploration costs as of March 31, 2014 have decreased by $129,501 from the same period in 2013, due to decreases in staffing and the completion of the Company's drilling program.
- Costs included in project administration are salaries for the administrative staff on site at El-Oro and the costs of maintaining the base camp operations at El-Oro. These costs have decreased from the same period in 2013 because of the completion of the Company's exploration program in 2013 and a result of the Company's budget cutting measures.

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2014

Operating Highlights	**2014**	**2013**	**Change**	**% Change**
Exploration Operating Highlights				
Community relations and sustainability	**$ 4,218**	$ 51,641	**$ (47,423)**	**(91.83%)**
Drilling	**329**	9,288	**(8,959)**	**(96.46%)**
Engineering studies	**12,336**	-	**12,336**	**100.00%**
Exploration and project administration	**170,890**	252,989	**(82,099)**	**(32.45%)**
Total	**$ 187,773**	$ 313,918	**$ (126,145)**	**(40.18%)**

Three Months Ended March 31, 2014 versus 2013

Below is a comparison of the exploration costs incurred above for the three months ended March 31, 2014 with the same period ended March 31, 2013:

- Community relations and social value costs decreased from the same period in 2013, by $47,423 as a result of decreased activity and the Company's budget cutting measures.
- Engineering studies were conducted with respect to a preliminary level study on the El Oro historic tailings

- Exploration and project administration costs as of the three month period ended March 31, 2014 have decreased by $82,099 from the same period in 2013, due to the completion of the exploration program in 2013 and the Company's budget cutting measures

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Financial Performance and Financial Position for the Year Ended March 31, 2014

For a summary of selected annual information for each of the three most recently completed financial years and quarterly consolidated financial results for each of the most recently completed year ending March 31, 2014, please refer to Appendix A.

	Consolidated Statements of Financial Position					
	March 31, 2014		March 31,2013		Change	
Cash and cash equivalents	**$**	**329,617**	$	647,357	**$**	**(317,740)**
Unproven mineral rights interest	**$**	**9,613,592**	$	12,802,274	**$**	**(3,188,682)**
Total Assets	**$**	**10,195,641**	$	13,893,969	**$**	**(3,698,228)**
Share Capital	**$**	**23,356,166**	$	22,711,269	**$**	**644,897**
	March 31 2014		**March 31,2013**			**Change**
Net loss	**$**	**(4,812,653)**	$	(1,764,836)	**$**	**(3,047,817)**
Loss per share	**$**	**(0.07)**	$	(0.03)	**$**	**(0.04)**
General and administrative expenses						
Management fees, office salaries and benefits	**$**	**148,833**	$	185,180	**$**	**(36,347)**
Share-based payment	**$**	**233,289**	$	54,431	**$**	**178,858**
Legal	**$**	**52,889**	$	43,853	**$**	**9,046**
Travel and accommodations	**$**	**2,509**	$	3,153	**$**	**(644)**
Audit and tax advisory fees	**$**	**38,660**	$	48,746	**$**	**(10,086)**

Year Ended March 31, 2014

Total cash and cash equivalents as of March 31, 2014 decreased from March 31, 2013 by $317,740 as a result of the Company's exploration expenditures in the amount of $761,445 (explained in the prior section of this MD&A), cash paid for general and administration expenses of $753,461 (explained below) and unproven mineral right interest cash expenditures of $183,645 during the year ended March 31, 2014. These cash outflows were partially offset against net proceeds received from a private placement of $670,224 and miscellaneous interest income earned of $12,718.

Total assets decreased from the same period in 2013 from $13,893,869 to $10,195,641, a decrease of $3,698,228. The decrease was the result of a decrease of the Company's current assets of $508,899, which included a decrease in cash and cash equivalents of $317,740 (explained above), and the impairment recorded of $3,284,641 for some of the Peruvian properties, which were dropped.

Net loss and loss per share increased from the same period in 2013 by $3,047,817, as a result of a write-down of unproven mineral right interests in Peru.

Below is an explanation of the variances of amounts included in total general and administrative expenses for the year ended March 31, 2014:

- Management fees, office salaries and benefits are personnel costs incurred at the Company's offices in Vancouver and Peru. These costs decreased by $36,347 from the same period in 2013, as a result of a decrease of management personnel in Mexico and Peru.
- Share-based payment expense for the period ended March 31, 2014 was $233,289. This was an increase from the same period in 2013 of $178,858. The increase was the result of having more share options vesting during the year ended March 31, 2014.
- All other general and administrative costs have decreased from the previous year due to the Company's decreased activity and general budget cutting measures.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the Company's cash flow activities for the year ended March 31, 2014 and 2013:

	For the Year Ended March 31,					
Cash Flow		**2014**		2013		Change
Used in Operating Activities	**$**	**(837,794)**	**$**	(1,056,730)	**$**	**(218,936)**
Used in Investing Activities	**$**	**(107,216)**	**$**	(468,501)	**$**	**(361,285)**
Provided from) Financing Activities	**$**	**670,224**	**$**	20,646	**$**	**649,578**
Cash beginning of period	**$**	**647,357**	**$**	2,364,289	**$**	**(1,716,932)**
Cash end of period	**$**	**329,617**	**$**	647,357	**$**	**(317,740)**

OPERATING ACTIVITIES

2014 versus 2013

Cash flows used in operating activities decreased from the same period in 2013 by $218,936. The decrease was the result of a decrease in the amount of exploration costs of $652,669 (as explained above), a decrease (excluding stock based compensation) in general and administrative expenditures of $147,354 and a decrease in non-cash working capital items of $213,717. The decrease in non-cash working capital items is the result of a decrease in the Company's trade and other receivable balance of $175,905, an increase in the Company's accounts payable balance as of the year-end March 31, 2014 compared to the year ended 2013, and as a result of a decrease in exploration activities during the year.

INVESTING ACTIVITIES

2014 versus 2013

Cash used for investing activities decreased from the same period in 2013 by $361,285. The decrease was the result of a decrease in amounts paid for the Company's concession fees in Peru of $170,249 which is a result of the Company maintaining fewer claims in Peru

FINANCING ACTIVITIES

2014 versus 2013

Cash provided by financing activities increased from the same period 2013 by $649,578 as a result of the amount of proceeds received from a private placement completed during the year ended March 31, 2014.

CAPITAL RESOURCES AND LIQUIDITY OUTLOOK

The Company's capital resources include existing cash and cash equivalents of $329,617 and trade and other receivables of $87,981. The Company anticipates that during 2014 it will use all of its available capital resources to pay for its trade payables and accrued liabilities and its commitments related to ongoing exploration activities in Mexico and Peru. The Company anticipates that it will need to raise additional capital during fiscal 2015 to continue project development in Mexico and Peru.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the years ended March 31, 2014 and March 31, 2013, the Company incurred losses of approximately $4.8 million and $1.8 million respectively, and as at March 31, 2014,

$19.3 million in cumulative losses since inception. In addition, the Company is subject to sovereign risk, including political and economic instability, changes in existing government regulations relating to mining, as well as currency fluctuations and local inflation.

The Company does not generate cash flows from operations and accordingly, Candente Gold will need to raise additional funds by entering into a joint venture agreement or through the issuance of securities or resource secured debt. Although, Candente Gold has been successful in raising funds in the past there can be no assurance Candente Gold will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should Candente Gold be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statement of financial position.

SHARE CAPITAL

As of June 26, 2014, the Company had 77,140,260 common shares outstanding.

As of June 26 2014, the Company had 629,000 warrants outstanding (expiring December 23, 2015) and 4,766,500 outstanding share options with a weighted average exercise price of CDN$0.45. The exercise prices for the outstanding share options, range from CDN$0.25 to CDN$0.80. As of June 26, 2014, 3,816,500 share options are exercisable.

Following the spin-out of Candente Gold from Candente Copper in January 2010, the Company has a commitment to issue shares of Candente Gold upon exercise of certain outstanding Candente Copper options ("Deemed Options"). As of the year-end March 31, 2014, 509,000 of these options are outstanding with a weighted exercise price of CDN$0.42 and an expiry date of September 4, 2014.

COMMITMENTS AND CONTINGENCIES

The Company has no material or significant commitments or contingencies.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies owned by executive officers and directors. The following is a list of the related parties that the Company enters into trading transactions with:

- Ridley Rocks Inc. – President, CEO, management and exploration fees
- SW Project Management – Vice president, project management and exploration fees
- Michael Thicke Geological Consulting Inc. – Exploration fees for member group of companies
- Delphis Financial Strategies – CFO and management fees to October 27, 2012
- Phoenix One Consulting Inc. – CFO and management fees starting June 20, 2012 and ending November 29, 2013
- CJ Dong Consulting Inc. – CFO and management fees starting November 29, 2013
- Candente Copper Corp. – shared administrative expenses with a Company related by directors and management in common

The Company incurred the following fees and expenses in the normal course of operations for key management personnel for the years ended March 31, 2014 and 2013. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

		March 31, 2014		March 31, 2013
Salaries and fees	**$**	**63,163**	$	165,747
Share-based payment		**155,768**		13,671
	$	**218,931**	$	179,418

- Share-based payments are the fair value of options expensed to directors and key management personnel during the year.
- The Company does not remunerate the directors of the Company unless its market capitalization is greater than $75 million. During the 2014 and 2013 years, the Company did not pay any directors fees.

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2014 included approximately $1,000 due to related parties (2013 – $nil) and an amount of $569,593 was due to Candente Copper Corp., a Company with common officers and directors at March 31, 2014.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's significant accounting policies are summarized in Note 3 of its consolidated financial statements for the year ended March 31, 2014. The preparation of consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. The Company regularly reviews its estimates; however, actual amounts could differ from the estimates used and, accordingly, materially affect the results of operations.

(a) Critical accounting estimates

i. Valuation of share-based payments and warrants

When options and warrants are issued, the Company calculates their estimated fair value using a Black-Scholes valuation model, which may not reflect the actual fair value on exercise. The Company uses historical Company stock prices and estimated dividend yield rates to arrive at the inputs that are used in the valuation model to calculate the fair value of the options or warrants.

(b) Critical accounting judgments

i. Going concern

Management assesses the Company's ability to continue as a going concern.

ii. Unproven mineral right interests

Mineral properties, include the cost of acquiring licenses, exploration and analysis, project administration, drilling, community and social values and environmental and health and safety. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. Management is required to exercise significant judgment in determining the timing of the determination of the technical and economic feasibility of the mineral resource. The Company considers both external and internal sources of information in assessing whether there are any indicators that unproven mineral right interests are impaired. Management has determined an impairment charge during the year of $3,284,641 pertaining to acquisition costs associated with Peruvian mineral claims, which were dropped.

iii. Functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment in which the entity operates and the Company reconsiders its functional currency and that of its subsidiaries if there is a change in events and conditions which determined the primary economic environment.

FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed to certain financial risks in the normal course of its operations:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner. The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables and commitments from its current working capital.

Maturity Analysis of Financial Instruments

Financial Liabilities	**Carrying Amount ($'s)**	**2015**	**2016**	**2017**	**2018**
Trade payables and accrued liabilities	$789,189	$789,189	**$ -**	**$ -**	**$ -**

Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a currency, other than the functional currency in which they are measured. The Company operates internationally and is exposed to risks from foreign currency rates. The functional currency of the Company's primary subsidiaries is the United States dollars and some of the subsidiaries transactions are denominated in Nuevo Soles and Mexican Pesos. Total expenditures of this nature for the year ended March 31, 2014 totaled 60,000 Nuevo Sols ($21,000) and 6,900,000 Mexican Pesos ($535,000). The Company determined that a 10% increase or decrease in the U.S. dollar against the Nuevo Sol and the Mexican Peso would result in an increase or decrease in net loss of $50,000 for the period ended March 31, 2014. The Company does not enter into any foreign exchange contracts to mitigate this risk.

Capital management

The Company's capital structure is comprised of working capital (current assets minus current liabilities) and equity. The Company's objectives when managing its capital structure is to, maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine the future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets. As of the year ended March 31, 2014, the Company is managing its existing working capital to ensure that it will be able to meet its current commitments, however the Company does anticipate it will need to raise additional capital during 2015, to continue project development in Mexico and Peru.

The consolidated statements of financial position carrying amounts for cash and cash equivalents, trade and other receivables and trade payables and accrued liabilities, approximate fair value due to their short-term nature.

Fair value hierarchy

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	**$ 329,617**	**-**	**-**	**$ 329,617**

The consolidated statements of financial position carrying amounts for cash and cash equivalents, trade and other receivables and trade payables and accrued liabilities, approximate fair value due to their short-term nature.

CONTROL MATTERS

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management as is appropriate to permit timely decisions regarding public disclosure.

Management is reasonably confident that material information relating to the Company, including its consolidated subsidiaries, is being made known to senior management in a timely manner, and that the Company's disclosure controls and procedures are effective not only with respect to the Company's annual filing requirements but on an ongoing basis.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that accurately and fairly reflect the additions to and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

An evaluation of the design effectiveness of the Company's internal controls over financial reporting was conducted as of March 31, 2014 by the Company's management. Based on this evaluation, the Company's CEO and CFO have concluded that the design, disclosure controls, procedures and the effectiveness of the Company's internal controls over financial reporting was and is effective.

There were no changes in the Company's internal control over financial reporting during the period from April 1, 2013 to March 31, 2014 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

RISK FACTORS

The Company is subject to a number of significant risks due to the nature and the current stage of its business and the effect of worldwide economic conditions. Exploration of mineral properties involves a high degree of technical, financial and social risk. While discovery of a mineral deposit may result in substantial rewards, few exploration properties are ultimately developed into producing mines. Major expenditures may be required to establish resources and reserves by drilling, constructing mining and process facilities, developing metallurgical processes and extracting base and precious-metals from ore. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations.

Risk factors that should be taken into account in assessing the Company's activities and any investment in the Company include, but are not limited to, those listed below. Any one or more of these risk factors could have a material impact on the financial condition of the Company. This information, by its nature, is not all-inclusive and risk factors that have not been listed could have a material impact on the future financial condition of the Company.

Economic conditions may prevent the Company from obtaining the capital required to continue operations

The Company's ability to continue operations is contingent on its ability to obtain additional financing. Equity market conditions, funding environments and the price of the Company's common shares may make it dilutive and difficult to raise funds by the sale of the Company's shares. An investment in the shares of a junior resource company is considered to be a high-risk investment. While the Company currently has the necessary cash resources to fund operations and exploration work at its properties for a period of at least one year, there is no assurance that financing will be available to the Company in future periods.

History of Losses

The Company has incurred a net loss in 2014 of $4.8 million and is expected to continue to generate losses while it continues to be an exploration-stage company. The Company anticipates significant expenditures for its mineral exploration programs. Since most exploration projects do not result in the discovery of commercially productive mineral reserves and are ultimately expensed in full, the Company expects to report net losses into the foreseeable future.

The long-term profitability of the Company's operations will be in part directly related to the success of its exploration programs, which are affected by numerous factors including the cost of such programs, the amount of mineral resources or reserves discovered and fluctuations in the price of any minerals produced.

Dilution

The Company does not generate any revenues from production and may not have sufficient financial resources to undertake by itself all of its planned exploration, feasibility and development programs. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in potential dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs and extent of future development activities.

Further exploration programs will depend on the Company's ability to obtain additional financing which may not be available under favorable terms, if at all. If adequate financing is not available, the Company may not be able to commence or continue with its exploration and development programs or to meet minimum expenditure requirements to prevent the full or partial loss of its mineral properties. Also, failure to meet the Company's share of costs incurred under joint venture arrangements to which it is a party may result in a reduction of its interests in mineral properties. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete the recommended programs.

No Known Mineral Reserves

All of the Company's mineral properties are in the exploration stage and are without known mineral reserves. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. However, few mineral properties that are explored are ultimately developed into producing mines.

In the event a commercially productive mineral reserve is discovered, substantial expenditures are required to develop mineral reserves for production, development of metallurgical processes for extraction and to develop the mining and processing facilities and infrastructure at the production site. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Title to Mineral Properties

The Company believes it has diligently investigated title to all of its mineral properties and, to the best of its knowledge, title to all properties are in good standing. However, the properties may be subject to prior unregistered agreements or transfers, which may affect the validity of the Company's ownership of such properties.

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, title to such properties may be challenged or impugned in the future. The boundaries of the Company's mineral properties have not been surveyed and, therefore, the precise location and area of these mining properties may be in doubt. The Company makes a search of mining records in accordance with mining industry practices to confirm that it has acquired satisfactory title to its properties but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims. Should any defect in title be discovered by or disclosed to the Company, all reasonable steps would be taken to perfect title to the particular claims in question. The Company is not aware of any material defect in the title to its mineral properties.

A claim on any of the Company's mineral properties, especially if commercially productive mineral resources or reserves are located, could adversely affect the Company's long-term profitability as it may preclude entirely the economic development of a mineral property. Also, such a claim would affect the Company's current operations due to the high costs of defending against such claims and its impact on senior management's time.

Key Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of the Company. The Company's success is dependent to a great degree on its ability to attract and retain qualified management personnel. The loss of such key personnel, through incapacity or otherwise, would require the Company to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. The Company does not maintain key person insurance in the event of a loss of any such key personnel. Also, certain management personnel of the Company are officers and/or directors of other publicly-traded companies and will only devote part of their time to the Company.

Additionally, the Company has relied on and is expected to continue relying upon consultants and others for exploration and development expertise. In the event a commercial mineral deposit is discovered on any of the Company's properties, the Company will likely require the expertise of such consultants and others for the development and operation of a producing mine.

On November 15, 2013, Mr. G. Cameron Dong was appointed as Chief Financial Officer for the Company. Mr. Dong succeeds Mr. Anthony Pitirri, who had served as Chief Financial Officer of the Company since 2012.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped base-metal and precious-metal properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration in the future.

Industry Operating Hazards and Risks

Mineral exploration and development involves many risks, including location of commercially productive mineral resources or reserves, which may not occur even with a combination of experience, knowledge and careful evaluation. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to resource companies, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides social disruptions, political instability and the inability to obtain suitable or adequate machinery, equipment or labour are some of the industry operating risks involved in the development and operation of mines and the conduct of exploration programs. Other risks include injury or loss of life, severe damage to or destruction of property, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. The occurrence of any of these operating risks and hazards may have an adverse effect on the Company's financial condition and operations.

Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that may have a material adverse effect upon its financial condition and operations.

Government Regulations Political Climate

Mineral exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupation health, 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 development and/or production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of exploration, development and mining operations, including the construction of mining facilities, may not be obtainable by the Company on reasonable terms which would have an adverse effect on any mining project the Company might undertake. Additionally, 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 exploration, development or 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.

To the best of the Company's knowledge, the Company is and will be operating in compliance with all applicable social and legal regulations. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of any future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new requirements.

Social Climate

Social acceptance to operate during the various stages of a mining project is an integral part of operating such that lack thereof provides a very real risk during the exploration, exploitation and closure stages of mine development. In addition, the fact that the means and tools to manage social acceptance are not an exact science adds to the level of risk.

The Company has established Corporate Social Responsibility policies and programs that includes:

- Regular communication with various members of the Community regarding their concerns and needs as well as our activities and objectives.
- Sustainable Development projects and alliances with International Non–Governmental Organizations ("NGOs") that are committed to improving the lives of families in under-developed regions.

The Company considers these initiatives as a foundation for building a positive and mutually beneficial long-term relationship with the various stakeholders in the project.

Environmental Liability

Although the Company is not aware of any formal claims for damages related to any impact that its activities have had on the environment, it may become subject to such claims in the future. An environmental claim could adversely affect the Company's business due to the high costs of defending against such claims and its impact on senior management's time.

The Company conducts exploration activities in Peru. Such activities are subject to various laws, rules and regulations governing the protection of the environment. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees.

Although the Company is committed to compliance with all environmental regulations currently applicable, environmental hazards may exist on the Company's mineral properties, which are not known to the Company at present, that have been caused by previous or existing owners or operators.

Also, environmental regulations may change in the future which could adversely affect the Company's activities including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations will become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

Fluctuations in Metal Prices

Although the Company does not hold any known mineral reserves, its future revenues, if any, are expected to be in large part derived from the future mining and sale of base and precious metals or interests related thereto. The prices of these commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to other new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot be accurately predicted.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at http://www.sedar.com

APPENDIX A

Summary of selected annual information for each of the three most recently completed financial years

	Consolidated Statements of Financial Position					
	March 31, 2014		March 31, 2013		March 31, 2012	
Cash and cash equivalents	**$**	**329,617**	$	647,357	$	2,364,289
Unproven mineral right interests	**$**	**9,613,592**	$	12,802,274	$	12,077,844
Total Assets	**$**	**10,195,641**	$	13,893,969	$	15,312,307
Share Capital	**$**	**23,356,166**	$	22,711,269	$	22,414,373
Consolidated Statement of Loss						
	March 31, 2014		March 31, 2013		March 31, 2012	
Net (loss) income	**$**	**(4,812,653)**	$	(1,764,836)	$	(4,639,472)
Basic and diluted (Loss) Income per share	**$**	**(0.07)**	$	(0.03)	$	(0.08)

Summary of quarterly financial results

	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Net Loss	$(2,476,452)	$(437,139)	$(563,292)	$(1,335,770)	$(298,053)	$(227,717)	$(548,338)	$(690,728)
Loss Per Share Attributable to Shareholders Basic and Diluted	$(0.04)	$(0.01)	$(0.00)	$(0.02)	$(0.01)	$(0.00)	$(0.01)	$(0.01)