This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of the operations of Emerita Resources Corp. (individually or collectively with its subsidiaries, as applicable, "Emerita" or the "Company"), to enable a reader to assess material changes in the financial condition and results of operations as at and for the periods ended December 31, 2013 and 2012. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the periods ended December 31, 2013 and 2012.

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. Please refer to Note 2 of the annual audited consolidated financial statements as at and for the years ended September 30, 2013 and 2012 for disclosure of the Company's significant accounting policies.

Additional information about the Company may be found on SEDAR at www.sedar.com or the Company web site at www.emeritagold.com.

All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of February 28, 2014.

The scientific and technical contents of this MD&A have been reviewed and approved by Mr. Joaquin Merino-Marquez, P.Geo., President and CEO of the Company and a Qualified Person under National Instrument 43-101.

Overview and Strategy

Emerita is a mineral exploration company currently engaged in the acquisition and exploration of mineral properties in Spain through its wholly-owned Spanish subsidiary, Emerita Gold Espana (formerly Lorica Gold, Sociedad Limitada) ("Emerita Espana"). The Company currently has three gold exploration properties in Spain, which are described in detail below under the section entitled, "Mineral Exploration Properties – Spain". The Company continues to review project submissions and data from various sources within the Iberian Peninsula with a view to identifying opportunities that could create value for its shareholders.

Mineral Exploration Properties – Spain

The Company owns three gold exploration properties (being Las Morras, Peña Encina and Los Vieros) located in the Extremadura region, Spain. Each of the properties is comprised of exploration permits that were issued by the Extremadura regulatory authorities. In mid-February, 2014, the Company received notice from the Extremadura Regional authorities that five additional exploration permits to expand the Property at Las Morras have been granted for an initial period of three years.

Las Morras Property - Description

The original Las Morras Property, which is 100% owned by the Company, is comprised of one exploration permit that covers an area of 6,816 hectares and is located in the eastern part of the Badajoz province. More than 300 large gold nuggets and samples of high grade, gold-bearing quartz vein boulders have been identified by local farmers using metal detectors. Gold-bearing boulders ranging up to 0.5 metres ("m") in diameter have been identified. Other than the exploration activities carried out by the Company and prospecting by local residents, there is no history of exploration on the Las Morras Property; however, Roman-era gold mine workings have been identified within the Property. The Company submitted five new exploration applications to the mines bureau of the Extremadura Regional Government covering an area adjacent to its Las Morras exploration permit and permits were granted in February 2014. The Property was expanded because the geochemical anomalies comprising the

Northwestern area trends off the Property and there have been a number of additional areas where gold nuggets have been observed and historical workings identified outside of the existing property boundary. The new claims cover an area of 38,030 hectares. This contiguous block of Exploration Licenses (Permiso de Investigacion P.I) represents a six fold increase in the land holding for Emerita from 6,816 hectares to 44,846 hectares. The Property now comprises 1,500 claims that are grouped in five new exploration permits named "Manchuela", "El Alandre", "Matajarda", "Las Matillas" and "Garbayuela". See Figure 1 below.

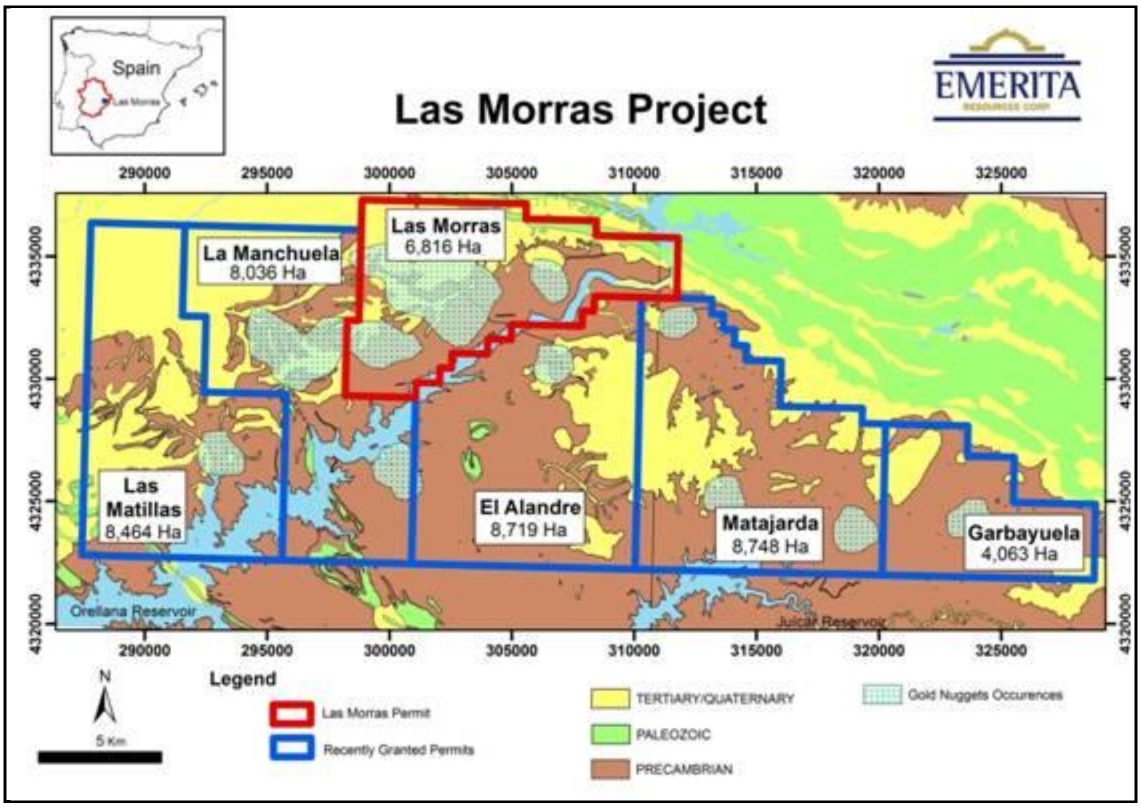

Figure 1: Las Morras Project Geology and Land Tenure with the original license area in red and new tenements in blue.

Las Morras Property - Results

Geophysical Survey

Emerita has been exploring the Las Morras property since early 2013 and during the past year has undertaken a number of field exploration programs (see press releases dated February 7, 2013, April 8, 2013, August 29, 2013 and December 19, 2013). During the 2013 program, the Company's geologists demonstrated that gold anomalies extended beyond the limits of the existing claim boundary and became aware of other locations in the area where numerous gold nuggets have been identified. As a result, the Company submitted applications for, and was awarded, additional tenements as described above.

Geophysical surveying (VLF, IP and ERT) (note: Very Low Frequency – VLF; induced polarization – IP; Electrical Resistivity Tomography – ERT) was carried out during October and November 2013 to identify geophysical anomalies indicative of bedrock structures potentially related to mineral occurrences. The surveying was performed in both the Northwestern area and the Central area, where geochemical anomalies were previously identified.

The VLF surveying consisted of 27 line kilometers in both the Northwestern and Central areas, where measurements were taken every 10 meters. In the Northwestern area 8, 9 linear kilometers were surveyed on 14 lines oriented in a north-south direction and ranging from 350 to 1,100 meters each. In the Central area 18.1 linear kilometers were surveyed on 20 lines oriented north-south and ranging from 550 to 1,100 meters each. The spacing between lines was determined according to the results of the geochemical campaign, ranging from 50 to 100 meters.

The IP and ERT surveying consisted in 10.4 linear kilometers in both the Northwestern and Central areas. Both the IP and ERT survey were measured simultaneously with the same device, following the same lines. The spacing between electrodes was 10 meters, which allows vertical readings up to 120 meters depth. In the Northwestern area, 5 lines were measured by IP and ERT, completing a total of 3,470 linear meters. The lines were north-south trending and had variable length from 630 to 950 meters. The spacing between lines was determined according to the results of the geochemical campaign, ranging from 100 to 450 meters.

The geophysical data, together with geological information and geochemical data from the two target areas, identified features that are interpreted to represent a shear zone system. This shear zone system is considered as a possible source of the gold found in the area. The geophysical anomalies are coincident with the geochemical anomalies found in the Central and NW areas. Furthermore, both the geochemical and geophysical anomalies are open along their strike, particularly to the East. The coincident geochemical/geophysical anomaly in the Central target area extends 1,200 meters long, is up to 90 meters wide and, based on the IP, extends to a depth of least 120 meters. In the Northwestern target area the anomalous body is 600 meters long, up to 80 meters wide and its continuity in depth is up to 100 meters based on the IP interpretation.

The identification of geophysical anomalous areas (i.e., faults zones and bodies of high resistivity and high chargeability) represent priority targets for trenching and drilling.

Las Morras Property - Outlook

The Company is continuing its Property-wide exploration on its 100% owned Las Morras property. As the result of the previous geochemical and geophysical exploration campaigns, two areas have been prioritized in the Las Morras property, the Central zone, which contains two target areas, and the Northwestern zone, which contains one target area.

The size of these targets are well over 1,100 m long by 90 m wide, oriented E-W. In order to expose the bedrock underneath of the regolith, the Company is planning to excavate a series of trenches.

The objective of the trenching program is to characterize the shear zone(s) and to obtain bedrock samples for gold analysis. Trenching is viewed as an effective precursor to drilling in this area as overburden appears to be relatively thin and generally less than 2 meters.

Peña Encina Property - Description

The "Peña Encina" gold project is located on the Central Ridge of the La Codosera area. The western limit of the Property is the Portuguese border. The project comprises one exploration permit, which is about 65 km west of the town of Caceres and 180 km northeast of Lisbon. The Property covers 140 claims for a total of 4,140 ha and is easily accessible by road from Caceres, the largest city in the region. Compilation of the geological and geochemical data is ongoing and initial fieldwork will commence earlier next year.

La Codosera area is one of the renowned historic gold districts in Spain. It is known for having about a dozen former Roman workings for gold and several underground mines that were operated by a German company which produced gold for more than a decade in the 19th century. This area was a State Reserve for gold for many years and as such only accessible by government surveys until the property was declared "open" in 2010, which is when Emerita acquired the property through a public bid.

The Complejo Esquisto Grauvquico (CEG) crops out in the northern ridge of the Property. The CEG comprises a sequence of slates and greywackes. These rocks are interpreted as late Proterozoic age. They are overlain unconformably by more varied lithologies, including sandstones, dolomites and limestones, of Vendian or Cambrian age, which crop out in the Central and Southern Ridges.

The main structural feature in the area where "Peña Encina" is located is the La Codosera Synclinorium, which was formed during the ductile Hercynian deformation. It is represented by three parallel WNW-ESE trending ridges. During the year the activity on the Peña Encina property comprised two field campaigns to perform field mapping, sampling, geochemistry of rock samples, and verification work to assist with the ongoing compilation. The focus of the Company's work program to-date has been on advancing the Las Morras project and limited work has been done in this area to-date.

Peña Encina Property – Outlook

The Company is in the process of compiling historical data for the region and plans to commence geological and prospecting surveys on the Peña Encina property in 2014. There is a significant amount of data to compile including government sponsored surveys and data from historical mining activity. Most data is not in a digital format so the compilation and verification process is time consuming. The Company has met administrative requirements to ensure the property is maintained in good standing.

Los Vieros Property - Description

The Los Vieros Property is comprised of three exploration permits that cover an area of 23,175 hectares, which includes an area with extensive trenches attributed to the Romans. This is viewed as a low priority presently and the Company will focus on its existing licences.

Los Vieros Property – Outlook

Fieldwork by the Company is expected to be limited to basic mapping and prospecting as the Company's work program is presently focused at the Las Morras Project. The Company will meet administrative requirements to ensure the property is maintained in good standing.

For the following quarter, the exploration plan for the Los Vieros property will include compilation of historical data, and reconnaissance field campaigns. Pending the outcome of this work the Company will determine whether to continue with this project.

Liquidity and Capital Resources

As at December 31, 2013, the Company had working capital of $1,126,436, which included a cash balance of $1,199,046, amounts receivable of $91,371, and prepaid expenses and advances of $7,350, offset by accounts payable and accrued liabilities of $171,331.

With the financing completed in the previous year, the Company has been able to meet its corporate and administrative expenses and complete its proposed exploration program.

Results of Operations

During the three months ended December 31, 2013, the Company recorded a loss of $317,205, or $0.01 per share, compared with a loss of $57,235, or $0.00 per share, during the three months ended December 31, 2012. The increase in losses was due to new project evaluation activities in Spain and higher general and administrative expenses resulting from the costs associated with being a public company.

Expenses incurred during the three months ended December 31, 2013 included $161,481 in consulting and management fees; $26,828 in shareholders communications and filing fees; $974 share-based payment expenses related to vesting of one-fourth of options granted in August 2013; $43,183 in travel expense, largely related to travel to the Company's properties in Spain; $41,727 in office expenses due to change of management and offices; $9,125 in professional fees related to the preparation and audit of the Company's financial statements; and project evaluation expenses of $111,612 relating to the evaluation of mineral properties in Spain.

Expenses incurred during the three months ended December 31, 2012 included $10,000 in consulting and management fees; $18,606 in travel expenses; $26,040 in professional fees related to the preparation and audit of the Company's financial statements and legal fees incurred in setting up the Spanish subsidiary, and $200 in shareholders communications and filing fees.

Exploration and evaluation expenditures on the mineral exploration properties in Spain that the Company acquired have been capitalized.

Cash flows

Three months ended December 31, 2013

During the three months ended December 31, 2013, the Company used cash of $315,285 on operating activities. Cash used in operating activities consisted mainly of new project evaluation expenses incurred on the Company's properties in Spain, and corporate general and administrative expenses.

During the three months ended December 31, 2013, investing activities used $198,584 which related to office equipment and general overhead for exploration and evaluation expenditures on the Company's properties in Spain.

There were no financing activities during the three months ended December 31, 2013.

Three months ended December 31, 2012

During the three months ended December 31, 2012, the Company used cash of $13,086 in operating activities, which related to general and administrative expenses.

(in Canadian dollars, unless otherwise noted)

During the three months ended December 31, 2012, investing activities used $7,264 which related to a reclamation deposit for exploration and evaluation expenditures on the Company's properties in Spain.

Off-Balance Sheet Items

As at December 31, 2013, the Company did not have any off-balance sheet items.

Select Annual Information

Select annual financial information for the years ended September 30, 2013, 2012 and 2011 is presented in the table below:

	2013 $	2012 $	2011 $
	-	-	-
Loss and comprehensive loss	(2,033,058)	(89,596)	(168)
Loss per share, basic and diluted	(0.07)	(0.01)	-
Total assets	$2,569,034	$235,666	$230,738
Long-term liabilities	-	-	-

Select Quarterly Information

Select quarterly financial information for the most recent eight quarters is presented in the table below:

Period	Revenue [(1)] $	Operating costs $	Loss $	Loss per share $	Total assets $
Q1 – December 31, 2013 [(2)]	-	394,930	(317,205)	(0.01)	2,258,845
Q4 – September 30, 2013 [(2)]	-	412,956	(409,557)	(0.01)	2,569,034
Q3 – June 30, 2013 [(2)]	-	233,686	(241,058)	(0.01)	2,928,079
Q2 – March 31, 2013 [(2)]	-	1,349,041	(1,325,209)	(0.05)	3,121,837
Q1 – December 31, 2012	-	54,846	(57,235)	-	277,516
Q4 – September 30, 2012	-	28,753	(29,181)	-	235,666
Q3 – June 30, 2012	-	39,182	(40,048)	-	171,152
Q2 – March 31, 2012	-	14,956	(14,956)	-	210,371

Explanatory Notes:

1) The Company has no sales revenues.
2) The results for the periods ended March 31 through December 31, 2013 included the accounts of Fuller Capital Corp. subsequent to the closing of RTO.

Outstanding Share Data

At February 28, 2014 the Company had 35,812,079 common shares issued and outstanding, 3,560,000 outstanding stock options and 200,000 outstanding warrants.

(in Canadian dollars, unless otherwise noted)

Financial Instruments

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

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

a. *Trade credit risk*
The Company is not exposed to significant trade credit risk.

b. *Cash*
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Expenditures on the Company's property interests in Spain make it subject to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar, US Dollars and the Euro. As at December 31, 2013 and September 30, 2013, the Company had the following financial assets and liabilities denominated in foreign currency.

December 31, 2013

	Euro	US dollars	British Pound
Cash	$ 104,345	$ 894	$ -
Amounts receivable	57,212	-	-
Accounts payable and accrued liabilities	(59,988)	(18,613)	-
	$ 101,569	$ (17,719)	$ -

September 30, 2013

	Euro	US dollars	British Pound
Cash	$ 41,442	$ 6,407	$ -
Amounts receivable	50,070	-	-
Accounts payable and accrued liabilities	(73,455)	(18,030)	(11,181)
	$ 18,057	$ (11,623)	$ (11,181)

A 1% strengthening (weakening) of the Canadian dollar against the Euro, US dollar and British Pound would decrease (increase) net loss by approximately $102, $18 and $Nil (September 30, 2013 - $180, 116 and $112) respectively.

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2013, the Company had a cash balance of $1,199,046 (September 30, 2013 - $1,712,915) to settle current liabilities of $171,331 (September 30, 2013 - $165,289).

(d) *Commodity price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. 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 commodity prices, as it relates to gold, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

The Company's financial assets and financial instruments as at December 31, 2013 included cash of $1,199,046, amount receivable of $91,371, and a reclamation deposit of $23,119 which were classified as loans and receivables, and accounts payables and accrued liabilities of $171,331, which were classified as other financial liabilities.

Addition of Director

On December 9, 2013, the Company announced the appointment of Ms. Catherine Stretch to its Board of Directors. Ms. Stretch has been Chief Executive Officer of DT Plantations Limited, a 40,000 hectare palm oil plantation under development in southern Philippines, since mid-2012. Previously, Catherine was a partner and the Chief Operating Officer of a Canadian investment firm, which had $1 billion in assets under management and focused on managing resource oriented investment funds. In this role Catherine helped research, develop and structure early stage investments and investment vehicles in Canada and overseas, worked with legal teams, securities regulators and local partners and oversaw day-to-day operations and financial reporting requirements of the company. Catherine has a BA in Economics from the University of Western Ontario and an MBA in International Business from the Schulich School of Business at York University.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 2 to the audited consolidated financial statements for the year ended September 30, 2013. The preparation of statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability or expense being reported:

- Foreign currencies
- Exploration and evaluation properties
- Income tax accounts

(in Canadian dollars, unless otherwise noted)

Foreign currencies

The presentation and functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

The Company makes expenditures and incurs costs in Euros ("EUR") and United States Dollars ("US$"). At December 31, 2013, one Canadian dollar was worth US$0.9402 (2012 – US$1.0051) and EUR 0.6824 (2012 – EUR 0.7623). During the three months ended December 31, 2013, the average value of one Canadian dollar was US$0.9526 (2012 – US$1.0087) and EUR 0.6995 (2012 – EUR 0.7775).

Exploration and evaluation properties

	Las Morras Property $	Peña Encina Property $	Los Vieros Property $	Total $
Balance, September 30, 2013	**710,140**	**24,384**	**2,657**	**737,181**
Cost incurred during the period:	-	-	-	
Land management fees, taxes and permits	16,607	2,123	-	18,730
Labour, contract geologists, prospectors	42,107	8,024	-	50,131
Field expenses	392	4	-	396
Sample analysis	2,287	-	-	2,287
Travel, meals and accommodations	6,081	762	-	6,843
Vehicle and fuel	3,632	272	-	3,904
Overhead - Project office Sevilla	17,449	75,133	1,675	94,257
Adjustment from prior period	(59,532)	37,612	1,207	(20,713)
Balance, December 31, 2013	**739,163**	**148,314**	**5,539**	**893,016**

	Las Morras Property $	Peña Encina Property $	Los Vieros Property $	Total $
Balance, September 30, 2012	**184,407**	-	-	**184,407**
Cost incurred during the year:				
Land management fees, taxes and permits	37,107	-	-	37,107
Labour, contract geologists, prospectors	83,098	-	-	83,098
Field expenses	81,004	1,370	66	82,440
Sample analysis	33,679	-	-	33,679
Mapping and surveying	11,593	-	-	11,593
Technical reports	5,332	12,175	-	17,507
Travel, meals and accommodations	42,114	1,141	1,348	44,603
Trenching	26,095	-	-	26,095
Vehicle and fuel	24,173	-	184	24,357
Legal	12,636	-	-	12,636
Overhead - Project office Sevilla	168,902	9,698	1,059	179,659
Balance, September 30, 2013	**710,140**	**24,384**	**2,657**	**737,181**

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation properties and classified as a component of property, plant and equipment.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Management reviews the carrying value of capitalized exploration and evaluation costs at least annually. The review is based on the Company's intentions for the development of the undeveloped property. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off to operations.

The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Costs recovered in excess of the carrying amount are recognized in operations.

At December 31, 2013, the Company had exploration and evaluation properties on the statement of financial position of $893,016 (September 30, 2013 - $737,181).

Commitments and Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $300,000 (2012 - $nil) and additional contingent payments of up to approximately $1,110,000 (2012 - $nil) upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

The Company is party to a shared costs services agreement, which expires on January 31, 2015. The maximum amount owed on early termination as of December 31, 2013 is $45,000.

Transactions with related parties

During the three months ended December 31, 2013 and 2012, the Company did not have any transaction in the ordinary course of business with related parties.

The Company shares office space with other companies who may have common officers or directors. The costs associated with this space are administered by an unrelated company.

As at December 31, 2013, amounts of $26,641 included in accounts payable and accrued liabilities were owed to directors and officers of the Company (2012 - $36,565). The amounts outstanding on fees are unsecured, non-interest bearing, with no fixed terms of repayment.

(in Canadian dollars, unless otherwise noted)

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the years ended September 30, 2013 and 2012, the remuneration of directors and other members of key management personnel are as follows:

	Three months ended December 31,	
	2013	2012
Short-term benefits	$ 123,325	$ 62,285
	$ 123,325	**$ 62,285**

In connection with the November 2012 private placement, officers and directors of the Company subscribed for 605,294 subscription receipts for total proceeds of $102,900.

Risk Factors

Mining exploration inherently contains a high degree of risk and uncertainty, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the Company shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the Company.

Limited Operating History

The Company is a relatively new company with limited operating history. The Company only recently acquired its interest in the Properties and the Company has no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from their activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

No Mineral Resources or Mineral Reserves

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company 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, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Properties are in the exploration stage only and, to date, no mineral resources or mineral reserves have been identified. Development of the Properties will follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that any mineral resources or mineral reserves will be identified or developed. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources and mineral reserves and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, current financial conditions, revenues, taxes, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Properties.

Regulatory, Permit and License Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations that may concern, among other things, exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, 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 exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

Financing Risks and Dilution to Shareholders
The Company will have limited financial resources, no operations and no revenues. Even if the Company's exploration program on one or more of the Properties are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

Title to Properties
Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to some or all of the Company's interest in the Properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have the interest it understands it has in the Properties could cause the Company to lose any rights to explore, develop and mine any minerals on the Properties without compensation for its prior expenditures relating to the Properties.

Competition
The mineral exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other companies could have a material adverse effect on the Company and its prospects.

Reliance on Management and Dependence on Key Personnel
The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Environmental Risks
The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the exploration, development and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration, development and mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the

satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Local Resident Concerns
Apart from ordinary environmental issues, the exploration, development and mining of the Properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the Properties.

Conflicts of Interest
Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an Company, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Foreign Operations
The Properties are located in Spain. As such, the Company's proposed activities with respect to the Properties will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Spain. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

Uninsurable Risks
Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, equipment and mines, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares.

Litigation The Company and/or its directors or officers may be subject to a variety of civil or other legal proceedings, with or without merit.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, dispositions and strategy, development potential and timetable of the Company's exploration properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of costs and other factors that are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update its forward-looking information, except in accordance with applicable securities laws.

February 28, 2014.