SHIELD GOLD INC. (o/a GREAT LAKES GRAPHITE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2014

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is prepared as of March 31, 2014 and should be read in conjunction with the audited annual financial statements of Shield Gold Inc. (o/a Great Lakes Graphite) (the "Company") for the years ended October 31, 2013 and 2012, and the unaudited interim condensed financial statements of the Company for the three month period ended January 31, 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on SEDAR at www.sedar.com. All amounts are in Canadian dollars.

Forward Looking Statements

This report may contain forward-looking statements that involve a number of risks and uncertainties including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, aboriginal challenges, delays in or failure to obtain governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors which affect this information, except as required by law.

OVERVIEW

Shield Gold Inc. (o/a Great Lakes Graphite), (the "Company") was incorporated under the laws of the Province of Ontario, by Articles of Incorporation dated February 4, 2004. The Company is in the business of mineral exploration and is actively engaged in the acquisition and exploration of mineral properties in Canada. Substantially all of the efforts of the Company are devoted to these business activities. To date the Company has not earned significant revenue and is considered to be in the exploration stage. Shield Gold Inc. (o/a Great Lakes Graphite) is a TSX Venture Tier 2 Company listed under the symbol "SHG". The Company's registered office is at 2 Queen St. East, Suite 1500, Toronto, Ontario, M5C 3G5.

OVERALL PERFORMANCE

Exploration Activities

- On March 4, 2014, the Company announced that it has signed a definitive purchase agreement with Rock Tech Lithium Inc. to acquire the Lochaber graphite deposit located in the Buckingham Graphite region in Outaouais/Gatineau, Quebec.

  The Lochaber Graphite Property is comprised of 151 mineral claims, in four contiguous blocks, covering 9,062 hectares in Buckingham and Lochaber Townships. Two of the Rock Tech claim blocks are contiguous with the Company's existing claims in the area, namely those in the Diamond and the Bell claim blocks. The purchase agreement between the companies provides for the Company to pay Rock Tech a total of $300,000 in cash and issue a total of 15 million common shares of the Company to Rock Tech or to whom it may direct.

  The acquisition is subject to and conditional upon TSXV and other regulatory approvals and satisfactory due diligence, including satisfaction with the results of metallurgical testing on samples that will be supplied by Rock Tech. On completion of the acquisition Rock Tech will have the right to appoint one nominee to the Board of Directors of the Company.

  The Lochaber Graphite Property, considered highly prospective for large flake, crystalline graphite, has an historic record of exploration and production. Numerous flake graphite occurrences on the property are some of the oldest graphite showings in Canada, having been discovered in the late 1800s and early 1900s. There are Four historical graphite occurrences (the "MacLaren" "Kelly North", "Kelly South" and "Burke" showings) and two past producing graphite mines (the "Mayo" and "Plumbago" mines) located in an area of 16 km2 on the "main" claim block.

  Rock Tech completed eight trenches and carried out channel sampling, ground geophysical surveys and over 7,000 m of drilling in late 2012 in the Plumbago mine area. The exploration work delineated two areas of graphite mineralization: Conductor "A" is 700 m long, and 27m to 100 m wide; and Conductor "C" is 600 m long and 29m to 82 m wide. Both conductors were drill-tested down to at least 150 m below surface. A majority of the drill holes intersected graphite mineralization. Previous exploration work included over 4,000 m of diamond drilling by previous operators during the 1980s.

  Rock Tech also shipped samples for metallurgical testing to determine the quality of graphite, flake size, and recoverability. This test-work is in progress at Process Research Ortech Inc. in Mississauga, ON. Preliminary metallurgical results carried out by Global Mineral Research Inc. in Burnaby, BC indicated the following flake size distribution:

  - 48.1% of the graphite concentrate being greater than 80 (Tyler) mesh (180μm) in size;
  - 30.5% of the graphite concentrate being between 80 and 200 mesh (180μm and 75μm) in size; and
  - 21.4 % of the graphite concentrate passing 200 mesh (75μm).

  The Company plans to complete a National Instrument 43-101-compliant resource estimate based on the available exploration data. Based on the results of completed resource estimates, the Company will plan preliminary economic assessment ("PEA") and environmental baseline studies on the property. Most of the surface rights in the area are held by private owners, therefore community consultation and access rights are an important and ongoing aspect of the project.

- On November 13, 2013, the Company announced that it has commenced a program of metallurgical testing on a composite of graphite samples originating from the Powerline Property, one of its four (4) graphite properties located in the historically prolific Buckingham and Lochaber Townships area in southwestern Québec.

  The objective of processing these samples will be to develop a flowsheet to produce a commercially acceptable graphite concentrate containing greater than 95% graphitic carbon (Cg) while maximizing the overall recovery of graphite and minimizing flake degradation. Certain flake sizes are in high demand on a global level due declining to inventories and concentrates can command up to $US 2,200 per tonne.

  These tests, being conducted by PRO (Process Research Ortech Inc.) in Mississauga, ON, will outline the quality of the crystalline flake sampled from the Corporation’s property and investigate recoveries up to the 95% threshold. Assays and SEM work will be performed by Actlabs (Activation Laboratories Ltd.) in Ancaster, ON

- On November 7, 2013, the Company reported the results of a helicopter-borne geophysical survey over the Buckingham and Lochaber Township graphite properties in the Outaouais region of southwestern Québec.

  Discrete targets have been interpreted from the time-domain electromagnetic data. These targets conform to an idealized model for conductive (massive) graphite and are appropriate for field follow-up, initially via mapping, prospecting and trenching. A total of 53 targets were identified on the Diamond and Diamond West Blocks, 49 on the Bell Block and 14 on the Powerline Block. These targets lie coincident with the multi-km electromagnetic conductive trends previously identified, and are also coincident with linear trends in the magnetic and radiometric data; these linear trends could represent bedding and/or structural horizons that would facilitate the tracing of known and any new graphite occurrences along strike. All targets are located on topographically high ground with good access and favourable geology.

  Initial physical properties testing of graphite-bearing hand samples from the Powerline Block indicated these rocks to be moderately resistive and not particularly conductive. This infers that disseminated graphite, which also exists on the property , was not directly detected by the airborne electromagnetic methods employed in the original survey. Induced Polarization test surveys are recommended over portions of the Diamond, Bell and Powerline properties, to determine if this method is effective for mapping disseminated graphite occurrences, and if this technique can be used to extend known graphite occurrences along-strike following bedding or structural planes away from the identified EM anomalies.

- On November 4, 2013, the Company announced that the existing Agreement between Shield and Eloro Resources Ltd. (“Eloro”; TSXV:ELO) with regard to the Summit-Gaber property located in the Baie James region of Québec has been amended.

  This amendment allows the Company to extend, by one year, the dates for work commitments and remaining payments under the terms of the original agreement and its first amendment. As consideration for the extensions granted by Eloro, the Company has agreed to issue an additional 100,000 common shares to Eloro, subject to TSX Venture Exchange approval.

- On October 22, 2013, the Company reported the results of a helicopter-borne geophysical survey over its Lochaber Township graphite properties in the Outaouais region of southwestern Québec. The survey included Magnetic, Spectrometric and Time-Domain

Electromagnetic (TDEM) components; the survey specifications are identical to those that had been carried out previously over the Company's Buckingham graphite properties. The current work included more than 400 line-kilometers of flight lines at a nominal spacing of 75 m. Prospectair Geosurveys Inc. of Gatineau, Québec was contracted to carry out the survey. The final results of the airborne surveying noted several north-south conductors ranging from 100m to 2,300m in length, for a total of over 14km of conductive anomalies.

Shield will be conducting a series of comprehensive metallurgical studies on bulk-sample material from its graphite properties to properly assess the size and purity levels of natural flake graphite present on those properties. An Ontario-based mineral services laboratory will be contracted to initiate the test program. The primary objective will be to develop a flow sheet based on a concentrate grading greater than 92% carbon while understanding flake size, grade and purity of the graphite within the concentrate. This testing will be extremely important as the results will assist Shield at such time that it can commission a Preliminary Economic Assessment (PEA) of the project as well as developing an understanding of the engineering design criteria for mineral recovery.

The metallurgical studies will also include chemical characterization, mineralogy, flake grindability and flotation testing on the bulk sample. The Company hopes to have the results of these tests available by the 4th quarter of this year.

- On December 5, 2012, the Company reported that it had received and filed a National Instrument (NI) 43-101- Compliant Technical Report pertaining to the Company's Buckingham Township graphite properties, Quebec. The report was prepared by the Company's Qualified Person, Mr. John M. Siriunas, P. Eng.

  The report includes the results of airborne geophysical surveys (magnetics, time-domain electromagnetics and spectrometrics) flown recently over the Diamond and Diamond West properties. The Company has an option to earn a 100% interest in the 31 mining claims spanning over 1,500 hectares that comprise these two properties. The report can be downloaded from SEDAR or from the Company's website at: www.greatlakesgraphite.com.

  Expenditures on the properties to date exceed $100,000. The Company plans on going forward with the recommendations put forth in the technical reporting, which proposes further exploration of the Diamond and Diamond West properties, with an initial phase costing $100,000 followed by a $150,000 drill program.

- During 2012, the Company completed the field portion of a helicopter-borne geophysical survey on its Diamond and Diamond West properties in Buckingham Township, southwestern Québec. The properties are located in the Central Metasedimentary Belt of the Grenville geological province and are noted in historical reports as hosting occurrences of disseminated flake graphite.

  Survey Details: The survey included Magnetic, Spectrometric and Time-Domain Electromagnetic (TDEM) components. Surveying was conducted by Prospectair Geosurveys Inc. of Gatineau, Québec and included more than 500 line-kilometers of flight lines at a nominal spacing of 75 m.

- On September 11, 2012, the Company entered into an agreement to acquire a 100% interest in two properties representing 30 mining claims in Lochaber Township in southwestern Quebec. The 100% earn-in requires the Company to make the following payments and issue the following number of common shares of the Company to the property vendors: (i) $7,000 (paid) on or before the date of regulatory approval of the option agreement (the "Payment

Date"); (ii) 630,000 shares (Issued) within 5 days of the Payment Date; (iii) $27,000 ($5,000 paid; balance of $22,000 is expected to be paid) and 430,000 shares (approved to be issued) on the 1st anniversary of the Payment Date; (iv) $43,000 and 430,000 shares on the 2nd anniversary of the Payment Date; and (v) $67,000 and 430,000 shares on the 3rd anniversary of the Payment Date. In addition, the Company has a work commitment totaling $270,000 during the three year terms of the option agreements. The vendor will retain a 2% net smelter royalty on each property, 1% of which may be purchased by the Company for $1,000,000.

- On September 4, 2012, the Company entered into an agreement to acquire a 100% interest in 16 additional claims representing 250.55 hectare at the Buckingham Property located in Buckingham Township in south-western Quebec. The 100% earn-in requires the Company to make the following payments and issue the following number of common shares of the Company to the property vendors: (i) $3,000 (paid) on or before the date of regulatory approval of the option agreement (the "Payment Date"); (ii) 200,000 shares (issued) within 5 days of the Payment Date; (iii) $6,000 (paid) and 100,000 shares (issued) on the 1st anniversary of the Payment Date; (iv) $8,000 and 100,000 shares on the 2nd anniversary of the Payment Date; and (v) $10,000 and 100,000 shares on the 3rd anniversary of the Payment Date. In addition, the Company has a work commitment totaling $72,000 during the three year term of the option agreement.

- On May 14, 2012, the Company entered into an agreement, subject to regulatory approval, to acquire a 100% interest in 15 mining claims representing 1,302.18 hectares in Buckingham Township in south-western Quebec. The 100% earn-in requires the Company to make the following payments and issue the following number of common shares of the Company to the property vendors: (i) $7,000 (paid) on or before the date of regulatory approval of the option agreement (the "Payment Date"); (ii) $15,000 (paid) and 400,000 (issued) shares within 30 days of the Payment Date; (iii) $25,000 (paid) and 400,000 (issued) shares on the 1st anniversary of the Payment Date; (iv) $45,000 and 400,000 shares on the 2nd anniversary of the Payment Date; and (v) $50,000 and 400,000 shares on the 3rd anniversary of the Payment Date. In addition, the Company has a work commitment totaling $235,000 during the three year term of the option agreement. The property vendor will retain a 2% NSR, 1% of which may be purchased by the Company for $1,000,000.

- During the year ended October 31, 2013, the Company decided that due to its focus shift to graphite and the lack of funds to continue to explore all of its mineral interests, it was unlikely that future exploration would occur on the La Grande Nord Property in the foreseeable future, therefore the option agreement with Virginia Mines Inc. was terminated and the capitalized costs of $87,472 were written-off to the statement of comprehensive loss accordingly.

- During the year ended October 31, 2012, pursuant to the Option and Joint Venture Agreement with Eloro Resources Ltd. with respect to the Summit-Gaber Property, the Company fulfilled its September 29, 2011 option commitment by making the required cash payment of $30,000. In addition, the Company negotiated with Eloro Resources Ltd. and extended its future property commitments with respect to the property by one year.

- During the year ended October 31, 2012, pursuant to the Option and Joint Venture Agreement with Virginia Mines Inc. with respect to the La Grande Nord Property, the Company fulfilled its September 10, 2012 option commitment by making the required cash payment of $10,000. In addition, the Company negotiated to defer its future property commitments with respect to the property for one year.

Financing and Corporate

- On March 26, 2014, the Company announced that Mr. Paul Hynek has joined the Company as the Director of Technical Operations.

  Mr. Hynek brings over 35 years of metallurgical and graphite research experience to the Great Lakes Team. While working for Inco Limited for more than three decades he was involved in the development of base metal extractive metallurgical processes, fundamental research on thermodynamic properties of various metal-sulfur systems and new product development.

- On March 12, 2014, the Company announced that it has engaged Investor Cubed Inc. to provide investor relations and shareholder communications services effective March 6, 2014. Investor Cubed will be focused on increasing investor awareness while introducing the Company to its network of investment advisors, investment dealers, institutions and other financial professionals.

- On March 10, 2014, the Company announced the receipt of an Initiating Report, issued by Fundamental Research Corp. The Research Report, dated March 7, 2014, can be found on the Company's website, www.greatlakesgraphite.com, and is also available by contacting Fundamental Research.

- On February 5, 2014, the Company announced that the Board of Directors has approved the change of the operating name of the Company from Shield Gold Inc. to Great Lakes Graphite, subject to regulatory and shareholder approvals. I connection with the proposed name change, effective immediately, the Company will begin operating under the trade name "Great Lakes Graphite". The Company has also adopted a new identity and redesigned website at www.greatlakesgraphite.com.

- Subsequent to the year ended October 31, 2013, the TSX-V consented to the extension of the expiry of 475,000 warrants exercisable at $0.12 and 750,000 warrants exercisable at $0.15 from January 23, 2014 to January 23, 2015.

- On January 16, 2014, 75,000 common shares with a deemed value of $0.08 per share were issued on settlement of debt in the aggregate amount of $6,000.

- On January 13, 2014, the Company completed a private placement and issued 3,758,833 flow-through units at a price of $0.12 per unit for gross proceeds of $451,059.96, and 250,000 units at a price of $0.10 per unit for gross proceeds of $25,000. Each flow-through unit is composed of one common share of the Company and a common share purchase warrant, each unit is composed of one common share of the Company and one common share purchase warrant. Each flow-through common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.20 per share for a period of 24 months from the date of issuance. Each common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.18 per share for a period of 24 months from the date of issuance.

- In November 2013, Mr. John Siriunas resigned as a director of the Company, and was appointed Secretary in January 2014, replacing Mr. Paul K. Ferguson, who remained as a director.

- In September 2013, the Company welcomed Mr. Jeff Zajac, FCMA, M.A., B.Comm., to Shield Gold's Board of Directors.

Mr. Zajac is President and founder of Solus One, a multi-national software and market research company established in 2004. He has significant experience in analyzing and closing international distributor agreements and joint-venture transactions. He is also CEO of Micro Minerals, a private junior mining exploration company. His prior experience includes working in strategic and financial planning roles with a number of Fortune 500 companies. He brings to Shield's board expertise in the areas of audit, tax, corporate governance, strategic planning and international marketing. Jeff is a Fellow of the Society of Management Accountants of Canada, holds a Bachelor of Commerce and Finance Degree from the University of Toronto, and a Master's Degree in Leadership Studies from the University of Guelph.

- In July 2013, the Company welcomed Mr. Greg Murphy to it's Board of Directors. Mr. Murphy joined the Company to take over from Larry Harrison, who resigned his director's position to pursue other interests.

  Mr. Murphy received his Bachelor of Arts degree in Economics from the University of Western Ontario in 1983. He has over 27 years of international investment industry experience in Toronto, London and New York. He is currently CEO of the Lakeshore Capital group of companies and advises Lionhart Investments in relation to their natural resources investment portfolio. Greg is a Director of Aurigin Resources, Benzu Gold and Benzu Resources. Previously held positions include: former head of equity derivatives at Midland Walwyn/Merrill Lynch Canada; First Marathon and Gordon Capital.

- On July 29, 2012, the Company completed a private placement and issued 2,290,000 units at a price of $0.05 per unit for gross proceeds of $114,500. Each unit is composed of one common share of the Company and one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.10 per share for a period of 18 months from the date of issuance.

- In July 2013, the Company completed private placements and issued 4,800,000 flow-through units at a price of $0.05 per unit for gross proceeds of $240,000. Each unit is composed of one flow-through common share of the Company and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.10 per share for a period of 18 months from the date of issuance.

- On June 21, 2013, 329,583 common shares with a deemed value of $0.06 per share were issued on settlement of debt in the aggregate amount of $19,775.

- On June 18, 2013, the Company reported that Mr. Paul A. Gorman has joined the Company as Chief Executive Officer and as a Director.

  Mr Gorman is a corporate specialist with over 15 years of experience in junior mining finance, taking companies public and operating growth-emerging public companies. For the last 12 years, Paul has been the President and Managing Partner of Riverbank Capital Inc., a Merchant Bank working with small-cap companies to assist them in financing, property exploration and developing well-defined marketing programs. Paul's responsibilities have also included raising capital totaling in excess of $155 million as well as promoting the companies to the investment community and writing strategic plans for business growth. Paul is a director of several private and public companies, holding senior management positions with Canadian and US based organizations providing expertise in the areas of capital raising, corporate governance and strategic initiatives.

Mr. Gorman replaces Dr. Howard Sinclair-Jones, P.Eng. who has resigned his executive posts and as a Director but remains as a Consultant to the Company. The Company thanks Dr. Sinclair-Jones for his tireless work in an executive capacity.

- During the year ended October 31, 2013, the TSX-V consented to the extension of the expiry of 1,460,000 warrants exercisable at $0.15 from May 3, 2013 to May 3, 2014.

- During the year ended October 31, 2013, 2,098,000 warrants with a weighed average exercise price of $0.15 expired without exercise.

- In December 2012, the Company completed a non-brokered flow-through private placement $0.15 for total proceeds of $100,000. The placement consisted of 1,000,000 flow-through units at a price of $0.10.

- On November 19, 2012, 175,000 common shares were issued to a consultant of the Company for settlement of debt in the aggregate amount of $10,000 at a deemed price of $0.057 per share.

- During the year ended October 31, 2012, the Company issued 600,000 common shares with a fair value of $37,000, in aggregate, pursuant to the Buckingham option agreements. In addition, 630,000 common shares were issued with an aggregate fair value of $34,650 pursuant to the Lochaber option agreements. Refer to note 5 (b) and 5 (d) for further details regarding exploration and evaluation assets acquired through fiscal 2012.

- On July 31, 2012, the Company completed a non-brokered private placement and issued 1,500,000 flow-through units (the “FT Units”) at a price of $0.10 per unit for gross proceeds of $150,000. Each FT Unit consists of one flow-through common share and one-half of one common share purchase warrant exercisable at $0.15 per share for an 18 month period.

- On July 31, 2012, the Company completed a non-brokered private placement and issued 475,000 non-flow-through units (the “Units”) at a price of $0.10 per Unit for aggregate gross proceeds of $47,500. Each Unit consists of one common share and one common share purchase warrant exercisable into one common share of the Company at $0.12 per share for a period of 18 months.

- On December 22, 2011, the Company completed a private placement and issued 1,000,000 flow-through units at a price of $0.10 per unit for gross proceeds of $100,000. Each unit is comprised of one flow-through common share and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.15 per share for a period of 18 months.

EXPLORATION PROPERTIES AND JOINT VENTURE AGREEMENTS

Buckingham Property

The Company has an option to earn a 100% interest in thirty-one (31) unpatented mining claims covering a total of 1,552.73 ha in two separate properties or claim blocks (identified as "Diamond" and "Diamond West") near Ottawa in Buckingham Township in the Outaouais area of western Québec.

These claims are prospective for graphite mineralization. The region offers excellent access and infrastructure. The properties are located within the quartzite domain of the Central Metasedimentary

Belt of the Grenville Structural Province of the Canadian Shield. Aluminosilicate gneiss and porphyroblastic marble lithologies within this domain are the main hosts to (flake) graphite mineralization. Pastproducing graphite mines in the area date back to the late 19th Century and early 20th Century. Of particular importance is the proximity of the former Diamond or Peerless Mine to the area of the properties.

Mapping of the property areas has been carried out by federal and provincial government agencies. No significant exploration work is known to have been carried out over the properties in almost 100 years.

The Company initiated its exploration work with a heliborne geophysical survey that included magnetic, spectrometric and time-domain electromagnetic components. The results of this surveying have provided valuable geological mapping information (from magnetics) and electromagnetic and spectrometric anomalies worthy of follow-up. Recommendations for this follow-up program are made and a budget of approximately $250,000 is projected for this work.

Locations and property description

The project area is located in the Outaouais (Ottawa Valley) area of western Québec approximately 35 km to the north-northeast of Ottawa/Hull. The Diamond claim block comprises 26 unpatented mining claims in one contiguous block covering 1,302.18 ha.

There are two claims within the Diamond claim block that are owned by a third party and do not form part of the Shield interest.

The Diamond West claim block comprises 5 unpatented mining claims in one contiguous block covering 250.55 ha.

The foregoing claims are listed in the technical report which can be found on SEDAR.

The two blocks of claims are separated by the Rivière du Lièvre; claims along this part of the river between the two blocks of claims have been withdrawn from staking by the provincial government.

All claims are recorded in the name of Robert Rosenblat. Surface rights are owned by a number of individuals and/or corporations. Determination of the details of this ownership is in progress.

Option agreements

The vendors of the claims are Robert Rosenblatt with a two thirds (2/3) interest and Nathan Rotstein with a one third (1/3) interest (the "Vendors"). The terms of the two agreements by which Shield can earn a 100% in all the claims are as follows: Shield has an option (**"Option #1"**) to earn a 100% interest in 15 claims by making the following payments and issuing the following numbers of common shares of Shield to the Vendors: (i) $7,000 on or before the date of regulatory approval of the Option #1, being July 3, 2012 (the **"Payment Date #1"**); (ii) 400,000 shares on the Payment Date #1 and $15,000 within thirty (30) days of the Payment Date #1; (iii) $25,000 and 400,000 shares on the 1st anniversary of the Payment Date #1; (iv) $45,000 and 400,000 shares on the 2nd anniversary of the Payment Date #1; and (v) $50,000 and 400,000 shares on the 3rd anniversary of the Payment Date #1. In addition, Shield agrees to incur a work commitment totaling $235,000 during the three-year term of Option #1. The initial requirements of Option #1 have been fulfilled by Shield.

Note that the original intent of Option #1 was to include an interest in a total of 22 claims; however, seven claims along the Rivière du Lièvre corridor between the Diamond and Diamond West claim blocks were disallowed for staking by the provincial government. An additional option with the

Vendors (see following paragraph) was entered into ostensibly as compensation for, and augmentation of, the original option.

Shield has a second option (**"Option #2"**) to earn a 100% interest in 16 additional claims by making the following payments and issuing the following numbers of common shares of Shield to the Vendors: (i) $3,000 on or before the date of regulatory approval of the Option #2, being September 11, 2012 (the **"Payment Date #2"**); (ii) 100,000 shares on the Payment Date #2; (iii) 100,000 shares within five (5) days of the Payment Date #2; (iii) $6,000 and 100,000 shares on the 1st anniversary of the Payment Date #2; (iv) $8,000 and 100,000 shares on the 2nd anniversary of the Payment Date #2; and (v) $10,000 and 100,000 shares on the 3rd anniversary of the Payment Date #2. In addition, Shield agrees to incur a work commitment totaling $72,000 during the three year term of Option #2. The initial requirements of Option #2 have been fulfilled by Shield.

A 2% royalty in all the claims is retained by the Vendors. The Company has the right to purchase half of the royalty for $1,000,000.

During 2013, the Company completed the field portion of a helicopter-borne geophysical survey on its Diamond and Diamond West properties in Buckingham Township, southwestern Québec. The properties are located in the Central Metasedimentary Belt of the Grenville geological province and are noted in historical reports as hosting occurrences of disseminated flake graphite.

Survey Details: The survey included Magnetic, Spectrometric and Time-Domain Electromagnetic (TDEM) components. Surveying was conducted by Prospectair Geosurveys Inc. of Gatineau, Québec and included more than 500 line-kilometers of flight lines at a nominal spacing of 75 m.

The Company also completed a National Instruement (NI) 43-101- Compliant Technical Report pertaining to the Company's Buckingham Township graphite properties. The report includes the results of airborne geophysical surveys (magnetics, timedomain electromagnetics and spectrometrics) flown recently over the Diamond and Diamond West properties. Shield has an option to earn a 100% interest in the 31 mining claims (over 1,500 ha) that comprise these two properties. The report can be downloaded from SEDAR or from the Company's website at: www.greatlakesgraphite.com.

Expenditure on the properties to date exceeds $100,000. Shield has accepted the recommendations of the technical report, which proposes further exploration of the Diamond and Diamond West properties, with an initial phase costing $100,000 followed by a $150,000 drill program. Shield also completed an airborne geophysical survey over its two graphite exploration properties in Lochaber Township in 2013.

Lochaber Property

On September 11, 2012, the Company entered into an agreement to acquire a 100% interest in two properties representing 30 mining claims in Lochaber Township in southwestern Quebec. The 100% earn-in requires the Company to make the following payments and issue the following number of common shares of the Company to the property vendors: (i) $7,000 (paid) on or before the date of regulatory approval of the option agreement (the "Payment Date"); (ii) 630,000 shares (Issued) within 5 days of the Payment Date; (iii) $27,000 ($5,000 paid; $22,000 expected to be paid) and 430,000 shares (approved for issuance) on the 1st anniversary of the Payment Date; (iv) $43,000 and 430,000 shares on the 2nd anniversary of the Payment Date; and (v) $67,000 and 430,000 shares on the 3rd anniversary of the Payment Date.

In addition, the Company has a work commitment totaling $270,000 during the three year terms of the option agreements. As of January 31, 2014, expenditures on the property exceed $150,000.

The vendor will retain a 2% net smelter royalty on each property, 1% of which may be purchased by the Company for $1,000,000.

Summit-Gaber Property

On September 29, 2010, the Company entered into a three year strategic Option and Joint Venture Agreement with Eloro Resources Ltd. to acquire an initial 50% interest in the Summit-Gaber Property, in consideration of $80,000 in cash, the issuance of 600,000 common shares and completed exploration work over a three year period aggregating $1,500,000. This transaction constituted the Company's Qualifying Transaction in accordance with the policies of the TSX-V.

The Summit-Gaber Property is located in the La Grande Greenstone belt, north-western Quebec.

During 2012, the Company negotiated a one year extension with respect to the Summit-Gaber Property commitments.

During the year ended October 31, 2012, the Company made cash payments of $30,000 and fulfilled its remaining cash commitments with respect to the Summit-Gaber Property.

As of January 31, 2014, approximately, $597,147 of the required $1,500,000 exploration work commitments has been fulfilled with respect to the Option and Joint Venture Agreement.

During the year ended October 31, 2012, recoveries of mineral property costs with respect to the Summit-Gaber Property amounted to $254,293, in aggregate. These recoveries primarily relate to the refundable mineral exploration tax credits as a result of the Company incurring mineral exploration expenses in Québec.

In addition, during the year ended October 31, 2012, the Company examined its exploration data and determined that certain of the La Grande Nord expenditures amounting to $22,211 were allocated to Summit-Gaber. A reclassification of these costs was made accordingly.

Upon satisfaction of the above mentioned commitments, the Company will have exercised the option and acquired an undivided 50% interest in the Summit-Gaber Property. Once the option has been exercised, the Company and Eloro Resources Ltd. intend on forming a joint venture for the purposes of further exploration and development of the Summit-Gaber Property.

The property is subject to a 1% net smelter royalty.

During 2011, the Company proceeded with the work program recommended under the National Instrument ("NI") 43-101 technical report filed by the Company.

The Company's 2011 exploration program was designed to follow the reconnaissance B-horizon geochemical survey conducted in 2010, during which priority geochemical soil anomalies were identified as targets for further exploration. The February 2011 report *"B-horizon Pedogeochemical Survey, Summit- Gaber Project, James Bay, Québec"*, by Dr. Rémi Charbonneau of Inlandsis Consultants, is available on the Company website: http://www.shieldgold.com/uploads/Summit-Gaber-Bhorizon.pdf .

Key elements of the 2011 exploration program include:

- 50 km of line-cutting, to refresh old grid lines and cut new lines
- Field investigation of 18 priority geochemical anomalies identified in 2010

- Mechanical stripping, detailed mapping and channel sampling of the areas covered by the Cartouche and Summit 4 showings
- Ground geophysical surveys over selected areas, including magnetometer (Mag), electro-magnetic (EM) and induced polarization (IP).

Results from exploration work are contained in press releases found on SEDAR at www.sedar.com as well as on the Company's website at www.greatlakesgraphite.com.

La Grande Nord Property

On September 10, 2010, the Company entered into a five year strategic Option and Joint Venture Agreement with Virginia Mines Inc. to earn a 50% interest in certain mineral claims referred to as the La Grande Nord Property located in the La Grande Greenstone Belt, Quebec.

To acquire a 50% interest in the Property, the Company must make payments totaling $30,000 in cash or shares at the discretion of the Company ($10,000 paid as of October 31, 2010) and perform scheduled work programs totaling $1,000,000 over a five year period.

On November 4, 2013, the Company announced an amendment to the existing agreement between the Company and Eloro Resources Ltd., extending, by one year, the dates for work commitments and remaining payments under the terms of the original agreement and the first amendment.

During 2012, the Company negotiated a one year extension with respect to the Summit-Gaber Property commitments.

As of January 31, 2014, the Company had incurred exploration expenditures of approximately $88,305 of the required work expenditures of $1,000,000.

Upon satisfaction of the above mentioned commitments, the Company will have exercised the option and acquired an undivided 50% interest in the La Grande Nord Property. Once the option has been exercised, the Company and Virginia Mines Inc. intend on forming a joint venture for the purposes of further exploration and development of the La Grande Nord Property.

The property is subject to a 1.5% net smelter royalty.

During the year ended October 31, 2013, the Company decided that due to its focus shift to graphite and the lack of funds to continue to explore all of its mineral interests, it was unlikely that future exploration would occur on the La Grande Nord Property in the foreseeable future, therefore, the capitalized costs were written-off accordingly.

SELECTED ANNUAL INFORMATION

The financial information disclosed below has been prepared in accordance with IFRS for the years ended October 31, 2013 and 2012 is reported in Canadian dollars.

The following tables set forth selected financial data from the Company's annual financial results and should be read in conjunction with applicable annual financial statements.

	Years-ended	
	(audited) October 31, 2013 ($)	(audited) October 31, 2012 ($)
Interest income	1,165	-
Working capital (deficiency)	65,988	(36,876)
Net loss and comprehensive loss	676,288	299,468
Loss per share	0.024	0.01
Mineral properties	943,258	759,874
Cash and restricted cash	160,914	6,532
Total assets	1,160,816	937,915

RESULTS OF OPERATIONS

As the Company is in the exploration phase and its properties are in the early stages of exploration, none of the Company's properties are in production. Therefore, the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interest, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations.

Additional financing is required for both current and new exploration initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

Exploration Operations

Three months ended January 31, 2014

	Balance, beginning of period	Acquisition	Exploration	Recoveries of tax credits and credit on duties	Write-off	Balance, end of period
Quebec						
Summit-Gaber	$ 469,354	$ -	$ -	$ -	$ -	$ 469,354
La Grande Nord	-	-	-	-	-	-
Buckingham	277,242	2,000	52,864	-	-	332,106
Lochaber	196,662	9,000	67,238	-	-	272,900
	$ 943,258	$ 11,000	$ 120,102	$ -	$ -	$ 1,074,360

Year ended October 31, 2013

	Balance, beginning of year	Acquisition	Exploration	Recoveries of tax credits and credit on duties	Reclassification	Balance, end of year
Quebec						
Summit-Gaber	$ 427,854	$ 41,500	$ -	$ -	$ -	$ 469,354
La Grande Nord	85,960	-	-	-	(85,960)	-
Buckingham	204,410	68,000	36,539	(31,707)	-	277,242
Lochaber	41,650	82,500	105,941	(33,429)	-	196,662
	$ 759,874	$ 192,000	$ 142,480	($ 65,136)	($ 85,960)	$ 943,258

Three months ended January 31, 2014

The net loss and comprehensive loss for the three months ended January 31, 2014 amounted to $76,079 or $0.002 loss per share as compared to the net loss and comprehensive loss for the three months ended January 31, 2013 of $50,631 or $0.002 loss per share.

Operating expenses for the three months ended January 31, 2014 aggregated $108,780 (three months ended January 31, 2013 – $50,631) an increase of $58,149. The increase in operating expenses was primarily as a result of the following significant operating expenditures:

- Consulting fees of $62,200 for the three months ended January 31, 2014 (three months ended January 31, 2013- $30,000). Compensation has increased as compared to 2013 as a result of the increased time required for corporate compliance and fund raising activities as well as incurring certain costs relevant to the Company’s reorganization.

- Corporate development and administrative expenses of $26,416 for the three months ended January 31, 2014 (three months ended January 31, 2013 - $1,120).

Acquisition Costs

Acquisition costs incurred by the Company with respect to its mineral properties are capitalized. Acquisition costs of $11,000 (year ended October 31, 2013- $192,000) were incurred during the three months ended January 31, 2014. The accumulated acquisition costs to January 31, 2014 include option payments on mineral claims in regards to the Summit-Gaber, Buckingham and Lochaber mineral properties located in Quebec.

Exploration Expenditures

Exploration costs incurred by the Company’s are capitalized. Exploration expenditures for the three months ended January 31, 2014 totaled $120,102 (year ended October 31, 2013- $142,480). Accumulated exploration costs incurred to January 31, 2014 consist of expenditures with respect to geologists, soil surveys, other test work and the compilation of the National Instrument 43-101 with respect to the Company’s Buckingham graphite properties.

SUMMARY OF QUARTERLY RESULTS

Quarterly Financial Information (unaudited)

	2014 Q1	2013 Q4	2013 Q3	2013 Q2
Interest Income	$ -	$ 1,165	$ -	$ -
Net loss (income)	$ 76,709	$ 287,814	$ 189,271	$ 148,572
Net loss per share (basic)	$ 0.002	$ 0.010	$ 0.007	$ 0.006

	2013 Q1	2012 Q4	2012 Q3	2012 Q2
Interest Income	$ -	$ -	$ -	$ -
Net loss	$ 50,631	$ 93,288	$ 196,890	$ (59,933)
Net loss per share (basic)	$ 0.002	$ 0.004	$ 0.009	$ (0.003)

	2012 Q1
Interest Income	$ -
Net loss	$ 69,226
Net loss per share (basic)	$ 0.003

The Company is a junior exploration company with no revenue generating properties. Currently the Company's funding continues to be derived from issuing securities and its short-term investments.

For further quarterly financial information, please refer to the Company's unaudited interim financial statements and management's discussion and analysis that have been filed on SEDAR at www.sedar.com.

Significant Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited financial statements the year ended October 31, 2013. Please refer to these financial statements on SEDAR.

Adoption of new and amended IFRS pronouncements

The adoption of the following new and amended IFRS pronouncements will result in enhanced financial statement disclosure in the Company's interim or annual financial statements or a change in financial statement presentation. These pronouncements did not affect financial results of the Company.

Standards, interpretations and amendments effective for annual periods beginning on or after January 1, 2013

IAS 1 – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendment requires that items of other comprehensive income must be grouped together into two sections:

- Those that will or may be reclassified into profit or loss
- Those that will not

The Company has adopted the amendment in the presentation of its statement of operations and comprehensive loss. There was no impact on the Company's financial statements resulting from the foregoing change.

IFRS 10, Consolidation ("IFRS 10")

The Company adopted IFRS 10, Consolidated Financial Statements ("IFRS 10") on February 1, 2013 with retrospective application. IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 10 did not have an effect on the Company's financial statements for the current period or prior periods presented as the Company currently does not have any subsidiaries or special purpose entities.

IFRS 11, Joint Arrangements ("IFRS 11")

The Company adopted IFRS 11, Joint Arrangements ("IFRS 11") on February 1, 2013, with retrospective application from the date of its earliest period presented. IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation.
IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 11 did not have an effect on the Company's financial statements for the current or prior periods presented as the Company currently does not have any joint arrangements.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")

The Company adopted IFRS 12, Disclosures of Interests in Other Entities ("IFRS 12") on February 1, 2013. IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 12 did not have an effect on the Company's financial statements for the current period or prior periods presented as the Company currently does not have any interests in other entities.

IFRS 13, Fair Value Measurement ("IFRS 13")

The Company adopted IFRS 13, Fair Value Measurement ("IFRS 13") with prospective application from February 1, 2013. IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

The adoption of IFRS 13 did not have an effect on the Company's financial statements for the current period. The disclosure requirements of IFRS 13 will be incorporated in the Company's annual financial statements for the year ended October 31, 2013. This will include discourses about fair values of financial assets and liabilities measured on a recurring basis and non-financial assets and liabilities measured on a non-recurring basis.

Standards, interpretations and amendments effective for annual periods beginning on or after January 1, 2014

IAS 36 – Impairment of Assets

In May 2013, the IASB issued limited scope amendments to IAS 36 applicable on a retrospective basis.

The effect of these amendments is as follows:

- Require disclosure of the recoverable amount of an asset or cash generating unit ("CGU") when an impairment loss has been recognized or reversed

- Require detailed disclosure of how the fair value less cost to dispose has been measured when an impairment loss has been recognized or reversed, including the level of the fair value hierarchy for which the fair value measurement is categorized

The Company does not expect any significant impact on its financial statements from the adoption of these amendments.

Standard effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted

IFRS 9 - Financial Instruments

The standard replaces *IAS 39 Financial Instruments: Recognition and Measurement*. In July 2013, the IASB deferred a mandatory effective date for IFRS 9 pending the finalization of requirements on impairment, classification and measurement.

Under the standard, a financial asset will be classified on the basis of the Company's business model for managing the financial asset and the related contractual cash flow characteristics. This asset will be initially measured at fair value and subsequently measured at amortized cost or fair value. Gains and losses on investments in the instruments that are not held for trading may be presented in other comprehensive income if so elected at initial recognition.

With the new standard, entities with financial liabilities designated at FVTPL recognize changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity. However, if presenting the change in fair value attributable to the credit risk of the liability in OCI would create an accounting mismatch in profit or loss, all fair value movements are recognised in profit or loss.

The Company is in the process of assessing the impact of the above mentioned standards.

LIQUIDITY AND CAPITAL RESOURCES

As of January 31, 2014, the Company had $335,183 in restricted cash compared to $160,914 as of October 31, 2013. This increase is directly related to funds raised during the period net of funds expended as part of administering the Company's current exploration program and paying for corporate administration. The cash is classified as restricted as the Company is committed to spend

$327,899 (October 31, 2013 - $336,546), being the remaining proceeds of flow-through share issuances from private placements.

The Company had working capital of $295,127 as of January 31, 2014 as compared to $65,988 as of October 31, 2013. The Company's working capital improvement from the prior year ended October 31, 2013 was as a result of financings completed during the quarter ended January 31, 2014.

The Company has no significant revenues and no expectation of significant revenues in the near term. In order to manage this risk the Company monitors its cash requirements and expenditures to maintain sufficient liquidity.

Liabilities at January 31, 2014 consist of short-term trade payables, HST and QST payable and various accrued liabilities of $71,012 (October 31, 2013 - $87,201).

The Company will need to raise additional financing in the near term to continue to finance operations and pay for ongoing administration of the Company. Alternative sources of capital include but are not limited to funding from capital markets and/or other industry partners.

LIQUIDITY OUTLOOK

While the financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, there are events and conditions that cast significant doubt on the validity of that assumption. The Company has incurred losses since inception and has an accumulated deficit of $1,849,780 at January 31, 2014 (October 31, 2013 - $1,773,701). The Company will need to raise sufficient funds in order to finance ongoing exploration and administrative expenses. The Company has no assurance that such financing will be available or be available on favorable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its various projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Cash Generating Potential

In order to finance future operations, the Company will pursue the following alternatives:

- Raise additional financing; and
- Enter into joint ventures with other parties in order to continue its planned exploration activities.

Cash Utilization Requirements

The Company has the following requirements:

- Cash is needed to fund both its exploration activities and its administrative activities. This amount varies depending on the amount of capital raised; and

- The Company has both cash commitments and property expenditure commitments. However, as these mineral properties are under option only, the Company is not obligated to meet these commitments.

SHAREHOLDERS' EQUITY

There was an increase of $360,241 in shareholders' equity in the three months ended January 31, 2014 to $1,369,487 from $1,009,246 as of October 31, 2013. The increase resulted from the net proceeds received on the issuance of common shares through private placements.

Shares issued for settlement of debt

In July 2013, the Company issued 1,315,667 common shares at a deemed price of $0.06 per unit for the settlement of debt in the amount of $78,940.02.

On June 27, 2013, the Company issued 329,583 common shares for the settlement of debt in the amount of $19,775. The fair value of the Company's shares at the time of the transaction amounted to $23,071 resulting in a loss on settlement of debt of $3,296.

In November 2012, the Company issued 175,000 common shares at a deemed price of $0.057 per unit for the settlement of debt in the amount of $10,000.

Shares issued in private placements

In December 2013, the Company completed a private placement and issued 3,758,333 flow-through units at a price of $0.12 per unit for gross proceeds of $450,600. Each unit is composed of one flow-through common share of the Company and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.20 per share for a period of 24 months from the date of issuance. Additionally, the Company also issued 250,000 units at a price of $0.10 per unit for gross proceeds of $25,000. Each unit is composed of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.18 per share for a period of 24 months from the date of issuance.

On July 29, 2013, the Company completed a private placement and issued 2,290,000 units at a price of $0.05 per unit for gross proceeds of $114,500. Each unit is composed of one common share of the Company and one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.10 per share for a period of 18 months from the date of issuance.

In July 2013, the Company completed private placements and issued 4,800,000 flow-through units at a price of $0.05 per unit for gross proceeds of $240,000. Each unit is composed of one flow-through common share of the Company and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.10 per share for a period of 18 months from the date of issuance.

In December 2012, the Company completed private placements and issued 1,000,000 flow-through units at a price of $0.10 per unit for gross proceeds of $100,000. Each unit is composed of one flow-through common share of the Company and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.15 per share for a period of 18 months from the date of issuance.

Shares issued for consulting fees and shares issued or units to be issued-

As of October 31, 2013, the Company was committed to issue 100,000 common shares with a fair value of $14,500 for consulting services rendered through the period. These shares were issued in November 2013.

In August 2013, the Company issued 624,000 units (inclusive of one common share and one common shares purchase warrant exercisable at $0.10 for an 18 month period) for consulting services with a deemed value of $31,200.

In July 2013, the Company issued 176,000 units for consulting services with a deemed value of $8,800.

During the year ended October 31, 2013, the TSX-V consented to the extension of the expiry of 1,460,000 warrants exercisable at $0.15 from May 3, 2013 to May 3, 2014.

During the year ended October 31, 2013, 2,098,000 warrants with a weighed average exercise price of $0.15 expired without exercise.

The Company had 42,504,819 (October 31, 2013 – 38,273,486) common shares outstanding as at January 31, 2014.

Pursuant to the Escrow Agreement, as of January 31, 2014, nil (October 31, 2013 – nil) common shares were held in escrow.

The Escrow Agreement provides for a three-year escrow release mechanism with:

- 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin; and

- 15% of the escrowed securities being releasable in 6 month intervals on each of 6, 12, 18, 24, 30 and 36.

A summary of the status of the warrants as of January 31, 2014 and January 31, 2013 and changes during the periods are presented below:

	January 31, 2014		January 31, 2013	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of the period	10,284,200	$ 0.11	4,783,000	$ 0.12
Issued pursuant to private placements (note 6 (a))	4,008,333	0.20	500,000	0.15
Finders' warrants issued (note 6(a))	304,667	0.12	-	-
Issued for investor relations services and cash (note 6 (a))	48,000	0.10	-	-
Exercised	(48,000)	0.05	-	-
Expired	-	-	-	-
Balance, end of the period	14,597,200	$ 0.14	5,283,000	$ 0.13

As of January 31, 2014, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number of Warrants	Weighted average exercise price
June 5, 2014	500,000	$ 0.15
January 23, 2014 (ii)	750,000	$ 0.15
January 23, 2014 (ii)	475,000	$ 0.12
May 3, 2014 (i)	1,460,000	$ 0.15
January 26, 2015 (iii)	175,200	$ 0.10
January 30, 2015 (iii)	40,000	$ 0.10
January 26, 2015 (iv)	136,000	$ 0.10
January 30, 2015 (iv)	208,000	$ 0.10
January 31, 2015	1,600,000	$ 0.10
January 26, 2015	3,140,000	$ 0.10
January 30, 2015	1,800,000	$ 0.10
December 25, 2015	250,000	$ 0.18
December 25, 2015	3,738,333	$ 0.20
December 25, 2015 (v)	20,000	$ 0.12
December 25, 2015 (v)	284,667	$ 0.12
	14,597,200	

i) During the year ended October 31, 2013, the TSX-V consented to the extension of the expiry of the warrants from May 3, 2013 to May 3, 2014.

ii) The term of these warrants was extended by one year subsequent to year-end.

iii) In connection with private placements during 2013, the Company issued 215,200 finders warrants. Each finder’s warrant is exercisable for 18 months into one unit at an exercise price of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant which entitling the holder to purchase one common share at a price of $0.10 for a period of 18 months.

iv) In connection with flow-through private placements during 2013, the Company issued 344,000 finders warrants. Each finder’s warrant is exercisable for 18 months into one unit at an exercise price of $0.05 per unit. Each unit consists of one common share and one-half of one common share purchase warrant entitling the holder to purchase one common share at a price of $0.10 for a period of 18 months.

v) In connection with private placements during the three months ended January 31, 2014, the Company issued 20,000 finders warrants. Each finder’s warrant is exercisable for 24 months into one unit at an exercise price of $0.12 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.20 for a period of 24 months.

In connection with flow-through private placements during the three months ended January 31, 2014, the Company issued 284,667 finders warrants. Each finder’s warrant is exercisable for 24 months into one unit at an exercise price of $0.12 per unit. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.20 for a period of 24 months.

The following table summarizes the options outstanding and exercisable at January 31, 2014

Number of Options	Exercise Price	Expiry Date
634,094	$0.10	May 22, 2017
107,183	$0.10	May 29, 2014
1,800,000	$0.10	September 3, 2016
300,000	$0.10	September 18, 2016
2,841,277		

2,100,000 were granted at an exercise price of $0.10, with 1,800,000 expiring on September 3, 2016, and 300,000 expiring on September 18, 2016.

1,200,000 stock options were granted at an exercise price of $0.10 expiring on May 22, 2017 during the year ended October 31, 2012.

370,356 options expired during the three months ended January 31, 2014.

PROPOSED TRANSACTIONS

The Company has not entered into any significant transaction, nor is it currently reviewing any such transaction, that has not been discussed within this MD&A.

OFF-BALANCE SHEET ARRANGEMENTS

As at January 31, 2014, the Company does not have any off-balance sheet arrangements.

CONTINGENCIES

The Company is not a party to any legal or administrative claims.

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose.

As of January 31, 2014, the Company had fulfilled its commitment to incur and spend exploration expenditures by December 31, 2013, relevant to a July 2012 flow-through financing consisting of 1,500,000 flow-through units for total proceeds of $150,000.

As of January 31, 2014, the Company had fulfilled its commitment to incur and spend exploration expenditures by December 31, 2013, relevant to a December 2012 flow-through financing consisting of 1,000,000 flow-through units for total proceeds of $100,000.

As of January 31, 2014, the Company is committed to spend $212,082 and to incur $197,653 in regards to the July 2013 flow-through private placement consisting of 4,300,000 flow-through units at $0.05 per unit by December 31, 2014.

As of January 31, 2014, the Company is committed to spend and incur $451,000 in regards to the December 2013 flow-through private placement consisting of 3,758,333 flow-through units at $0.12 per unit by December 31, 2014.

There is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, the Company, has indemnified the subscribers of previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its commitments.

CASH FLOWS

Cash flows used in operating activities were $130,949 for the three months ended January 31, 2014 as compared to cash flow used in operations of $85,514 for 2013. The decrease in cash used is primarily attributable to the reduced administration of exploration and corporate activity through the period, as well as an increase in non-cash compensation for management.

Cash flows used in investing activities were $299,371 for the three months ended January 31, 2014 as compared to cash flows used by investing activities of $14,486 for 2013. The increase in cash used in investing activities resulted from increased exploration and acquisition activities undertaken during the period as well as no Quebec exploration expenditure recoveries were received in the current period as compared to 2013.

Cash flows from financing activities were $430,320 for the three months ended January 31, 2014 as compared to $100,000 for 2013. The cash flows relate to proceeds received from private placements during the period.

TRANSACTIONS WITH RELATED PARTIES

A total of $39,000 (three months ended January 31, 2013 - $30,000) was paid to related parties during the three months ended January 31, 2014 for consulting and management fees, $39,000 (three months ended January 31, 2013- $30,000) of which was accounted for as management fee expense and $nil (three months ended January 31, 2013 - $nil) of which was accounted for as consulting fees expense. The aforementioned fees were charged for financial management, corporate administrative and investor relations services. Of the above mentioned management fees, $nil (three months ended January 31, 2013 - $21,000) was charged by a company controlled by the former Chief Executive Officer, $24,000 (three months ended January 31, 2013 - $nil) was charged by the Chief Executive Officer and $15,000 (three months ended January 31, 2013 - $9,000) were charged by the Chief Financial Officer. All of the above mentioned consulting fees were charged by officers and directors of the Company.

In addition, $30,000 (three months ended January 31, 2013 - $6,000) for geological consulting fees were charged by an officer and director of the Company and reflected as deferred exploration and evaluation costs on the Company’s statement of financial position.

The Company’s key management personnel has the authority and responsibility for planning, directing and controlling the activities of the Company and consists of its Directors, Chief Executive Officer and Chief Financial Officer.

Share-based payments to key management amounted to $nil (three months ended January 31, 2013 - $nil) during the three months ended January 31, 2014.

The Company entered into consulting agreements with officers and directors of the Company for corporate administrative, financial management and geological services. The agreements run from July 1, 2013 to June 30, 2014 and amount to $18,000 per month, in aggregate. Upon expiry of the forgoing term, the agreements will automatically renew for successive one month periods.

As at January 31, 2014, accounts payable and accrued liabilities include $7,649 (October 31, 2013 - $4,699) owing to officers and directors of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of its financial statements requires the Company to use estimates and assumptions that affect the reported amounts of assets and liabilities as well as revenues and expenses.

Our discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are contained in Note 3 to the financial statements for the three months ended January 31, 2014 and changes in those policies. Certain of these policies involve critical accounting estimates because they require us to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions.

The following section discusses the critical accounting estimates and assumptions that management has made and how they affect the amounts reported in the financial statements. We consider these estimates to be an important part of understanding our financial statements.

Asset Impairment

The Company reviews the carrying values of its machinery and equipment as well as its non producing mining properties, deferred exploration and development expenditures and deposit and deferred expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated recoverable amounts determined by reference to estimated undiscounted future cash flows.

The recoverability of amounts shown is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to finance the development of the properties, and on the future profitable production or proceeds from the disposition thereof. An impairment loss is recognized when the carrying value of those assets exceeds its estimated net recoverable amount.

Stock-based Compensation

The Company uses the fair value method to account for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is either charged to operations or capitalized to exploration of development expenditures, as appropriate, with an offsetting credit to contributed surplus, over the vesting period of the option. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital.

Warrants

The Company uses the relative fair value method to account for warrants issued pursuant to proceeds from unit private placements. The fair value of the warrant is determined using the Black-Scholes option pricing model, while fair value of the share is based on the quoted market price on the date the shares are issued. Proceeds from the issuance of units in private placement are allocated on the relatively to the proportion of the fair value of warrant and fair value of share.

Exploration and evaluation assets

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at fair value less costs to sell.

Going Concern

The Company's financial statements were prepared in accordance with International Financial Reporting Standards and on the basis of a going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company currently does not own, hold or have any material interest in, or liability associated with, any derivative instruments.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i**)** controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process 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 certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISK MANAGEMENT

Overview

The Company is engaged primarily in the mineral exploration field and accordingly it may be at risk for environmental issues and fluctuations in commodity pricing relating to the mineral extraction and exploration industry. The Company is subject to provincial and federal environmental regulations. Management has designed procedures and policies to provide for environmental compliance however, due to the diversity of environmental laws and regulations, compliance at all times cannot be assured.

Although management has taken steps to verify title on the properties on which it conducts exploration and in which it has an interest, these procedures may not guarantee the Company's title. Property title may be at risk from unregistered prior agreements, unregistered claims, other land claims and noncompliance with regulatory and environmental requirements.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity and funding risk
- Market risk

The Board of Directors approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk is on its restricted cash. Restricted cash consists primarily of cash bank balances held with a Canadian chartered bank. The Company manages the credit exposure related to cash by holding its funds with reputable financial institutions. As of January 31, 2014, the Company's maximum credit exposure for restricted cash is the aggregate carrying value of $335,183 (October 31, 2013 - $160,914).

Liquidity risk

Liquidity and funding risk is the risk that the Company will not have sufficient capital to meet short-term operating requirements, after taking into account the Company's holdings of cash and cash equivalents and committed cash.

As at January 31, 2014, the Company's working capital is $295,127 (October 31, 2013 – $65,988). In the case of cash deficits arising from exploration commitments and general operating budgets, the Company will have to seek debt or equity financing. There is no assurance that such financing will be available on terms acceptable to the Company.

The Company determined that it will require additional capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company is actively looking to raise cash funds from private placements. The Company's cash balance is invested in business accounts as of January 31, 2014.

Market risk

Foreign currency risk – The Company is not exposed to any fluctuation in foreign exchange rates because the Company does not hold any foreign dominated financial assets or liabilities.

Interest rate risk – Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments. The Company has no-interest bearing debt.

Equity price risk – The Company is exposed to price risk with respect to 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. The Company monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk – The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company. The Company monitors commodity prices to determine the appropriate course of action to be taken by the Company.

CAPITAL MANAGEMENT

The Company considers its capital to include components of shareholders' equity, which is comprised of share capital, reserve for warrants, shares and units to be issued, reserve for share-based payments, contributed surplus and deficit, which as at January 31, 2014 amounted to $1,369,487 (October 31, 2013 – $1,009,246).

The Company's objectives in managing capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's investments; to safeguard the Company's ability to continue as a going concern in order to pursue investments and new projects of merit; and to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will continue to assess its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended January 31, 2014. The Company is not subject to externally imposed capital requirements other than flow-through expenditure requirements.

INDUSTRY, ECONOMIC AND ENVIRONMENTAL RISK FACTORS AFFECTING PERFORMANCE

As a mineral exploration company, the Company's performance is affected by a number of industry and economic factors and exposure to certain environmental risks, and other regulatory requirements. These have been detailed in the Company's filing statement available at www.sedar.com under the Company's name.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the identification, acquisition and exploration of mineral properties. The risks below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial may also impair the Company's operations. The order in which the following risk factors appear does not necessarily reflect management's opinion of their order or priority.

Limited Operating History

The Company has only recently commenced operations and has no history of earnings. There are no known commercial quantities of mineral reserves on the Company's properties. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There can be no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Exploration and Development Risks

Resource exploration and development 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 that are beyond the control of the Company and that 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 minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. All of the claims to which the Company has a right to acquire an interest or the claims which the Company has an interest in are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favorable 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 the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. 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 reserves through drilling 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.

Lack of Availability of Resources

Mineral exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to the Company on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Company's exploration programs.

Requirement for Additional Financing

The further development and exploration of the Company's projects depends upon the Company's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed.

Volatile markets for precious and base metals may make it difficult or impossible for the Company to obtain equity financing or debt financing on favorable terms or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Uninsurable Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company intends to comply fully with all environmental regulations. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Company to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

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

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

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

Mineral Exploration and Mining Carry Inherent Risks

Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on the Company's operations and its financial results.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Company's mineral properties in accordance with the laws of the jurisdiction in which such properties are situated; therefore, their existence and area could be in doubt.

Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands.

Aboriginal Land Claims

The Company's mineral properties could become subject to aboriginal land claims to title, which could adversely affect the Company's title to its properties. While the Company actively consults with all groups which may be adversely affected by the Company's activities, including aboriginal groups, there can be no assurance that satisfactory agreements can be reached.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire additional suitable properties or prospects in the future.

Management

The success of the Company is currently largely dependent on the performance of its board and senior management. The loss of the services of these persons will have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its board and management or other qualified personnel required to operate its business. Failure to do so could have material adverse affect on the Company and its prospects.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Company's properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Company's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Infrastructure

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

Conflict of Interests

Certain of the directors and officers of the Company are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate or may wish to participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with the Company for the acquisition of mineral property rights.

In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of the Company and, if the conflict involves a director, the director will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program.

It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the provisions of the Business Corporations Act (British Columbia), the directors and officers of the Company are required to act honestly and in good faith, with a view to the best interests of the Company.

In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time.

Key Personnel

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Operations Dependent on Revenues and Financings

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the shares purchased would be diminished.

OTHER MD&A REQUIREMENTS

ADDITONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's *Statement of Comprehensive Loss and Statement of changes in Shareholders' Equity and Schedule of Mineral Exploration Property Costs* contained in its audited Financial Statements for the year ended October 31, 2013, which is available on Shield's SEDAR Page Site accessed through www.sedar.com.

OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing, as well as through other means in order to further explore its mineral properties. There can be no assurance that the Company will succeed in obtaining additional financing, nor or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its resources properties.

APPROVAL

The Board of Directors of the Company has approved the disclosures contained in this MD&A upon recommendation of the Audit Committee.

EVENTS AFTER THE REPORTING DATE AND COMMITMENTS

1. Subsequent to period-end, in February 2014, the Board of Directors approved changing the Company's name from Shield Gold Inc. to Great Lakes Graphite Inc. The Company begin operating as "Great Lakes Graphite" in the interim. Official shareholder approval for the change of name will be sought at the Company's Annual and Special Meeting that has been scheduled for April 24, 2014. Mailings for the Meeting were made on March 25, 2014.

2. Subsequent to period-end, the Company executed a definitive purchase agreement with Rock Tech Lithium Inc. ("Rock Tech"; TSXV:RCK) to acquire the Lochaber graphite deposit (the "Lochaber Graphite Property"), located in the prolific Buckingham Graphite region in Outaouais/ Gatineau, Québec. Conditional approval for the transaction was received from the TSX Venture Exchange ("TSXV") on March 12, 2014.

   The Lochaber Graphite Property is comprised of 151 mineral claims, in four contiguous blocks, covering 9,062 hectares in Buckingham and Lochaber Townships. Two of the Rock Tech claim blocks are contiguous with the Company's existing claims in the area, namely those in the Diamond and the Bell claim blocks.

   The purchase agreement between the companies provides for the Company to pay Rock Tech a total of $300,000 in cash and issue a total of 15 million common shares of the Company to

Rock Tech or to whom it may direct. The acquisition is subject to and conditional upon final TSXV acceptance and other regulatory approvals and satisfactory due diligence, including satisfaction with the results of metallurgical testing on samples that will be supplied by Rock Tech. On completion of the acquisition Rock Tech will have the right to appoint one nominee to the Board of Directors of the Company. The Company has 30 days from March 12, 2014 to satisfy the requirements of the TSXV.

3. Subsequent to period-end, the Company engaged Investor Cubed Inc. ("Investor Cubed") to provide investor relations and shareholder communications services effective March 6, 2014.

   In connection with the engagement, Investor Cubed was awarded a consulting contract paying $5,000 per month for a term of twelve months. In addition, Investor Cubed was granted stock options to purchase 400,000 shares of Great Lakes Graphite at a price of ten cents ($0.10) per share. The options will vest quarterly over a period of one year and will be governed by the provisions of the Company's stock option plan and policies of the TSX Venture Exchange.

4. On November 13, 2013, the Company engaged Fundamental Research Corp. for the purposes of preparing research reports on the Company. In consideration for the reports, the Company agreed to make cash payments totaling $25,000 over a 10 month period. The initial retainer amounted to $7,875, which was due on singing of the agreement and 10 monthly payments of $1,837 each thereafter.

OFFICERS AND DIRECTORS

As of the date hereof the current officers and directors of the Company are:

Paul Gorman – President, CEO and Director
Paul Ankcorn – CFO and Director
Paul Ferguson – Director
Jeff Zajac – Director
Greg Murphy – Director
A. John Carter – Senior Vice President
John Siriunas – Vice President of Exploration, Secretary
John Siriunas is the Qualified Person as defined by National Instrument 43-101 for Shield Gold Inc. (o/a Great Lakes Graphite)

DISCLOSURE OF OUTSTANDING SECURITIES AS AT MARCH 31, 2014

Outstanding common shares: 42,504,819
Share purchase warrants: 13,781,333
Finder's warrants: 1,459,734
Stock options: 2,841,277
Fully diluted: 60,587,163