MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's discussion and analysis ("MD&A") dated as of November 29, 2013, supplements the condensed consolidated financial statements ("financial statements") of International PBX Ventures Ltd (the "Company") and the notes thereto for the three and nine month periods ended September 30, 2013. The MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. The MD&A should be read in conjunction with the financial statements for the three and nine month periods ended September 30, 2013 which discusses and analyses the financial condition and results of operations of International PBX Ventures Ltd.

Additional information relating to the Company can be found on SEDAR www.sedar.com and the company website www.internationalpbx.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set out below.

CORPORATE GOVERNANCE

Management of the Company is responsible for the preparation and presentation of the quarterly and annual financial statements and notes thereto. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's Management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and the MD&A. Responsibility for the review and approval of the Company's annual audited financial statements and MD&A is delegated by the Directors to the Audit Committee, which is composed of three directors. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

DESCRIPTION OF BUSINESS AND OVERALL PERFORMANCE

International PBX Ventures Ltd. is a resource exploration company involved in exploring for gold, silver, copper and molybdenum on its various properties located in Chile through its wholly owned subsidiaries in Chile, being Minera IPBX Limitada, Minera Tierra de Oro Limitada, Minera Palo Negro Limitada and Minera Sierra Pintada Limitada ("Chilean Subsidiaries").

During the 3rd quarter of 2013 Management focused a significant amount of time, efforts and resources along with our agents (Haywood Securities Inc. and Jones Gable Company) on the sale of our Copaquire project. On October 11, 2013 the Company announced that through its wholly owned Chilean subsidiary, Minera IPBX Ltda.("IPBX"), has entered into an agreement to sell 100% of its interest in the Copaquire Property ("Copaquire" or "the Property"), located in the Andean Cordillera of Region I, northern Chile, to Teck Resources Chile Ltda. ("Teck"), a subsidiary of Teck Resources Limited for US$3,033,556 cash plus a 3% net smelter royalty (NSR) payable to IPBX. Additionally, Teck will have the option to buy back 1% of the NSR for US$3 million at any time. The sale is subject to legal and title due diligence and PBX shareholder approval and is expected to close in December, 2013. The Transaction has been approved by the PBX Board of Directors and Haywood Securities Inc. has provided a fairness opinion to the Company that the Transaction is fair, from a financial point of view, to PBX shareholders.

While we had expected to obtain a purchase price with more value upfront, it is very telling of the current market conditions that we ended up accepting this deal. Our view was, that with Teck's 76.5% interest in the nearby Quebrada Blanca mine, they would be in the best position to advance the Property. Through our retention of an attractive royalty on the Property, we expect to provide our shareholders with exposure to any potential future development at Copaquire. A significant portion of the current proceeds will be used to pay off our existing trade payables, loan and convertible debenture outstanding.

On January 13, 2013, the Company issued 10,795,833 shares for total gross proceeds of $647,750. Further, 10,795,833 warrants were issued exercisable into one common share at $0.07 per share exercisable for a period of 12 months until December 31, 2013.

On February 27, 2013, a company controlled by a former officer and director of the Company, commenced action and filed a claim against the Company in the Supreme Court of British Columbia, Canada. The claim was for $101,747 with respect to alleged past services provided. The claim also included interest and other related costs. In response to the claim, the Company has filed a counterclaim of $181,600 against the former officer and director and the company controlled by said former officer and director. The Company intends and continues to vigorously defend itself against the claim and to pursue its counterclaim. The deadline for examinations for discovery has been set, subject to possible change, to be completed by mid-February 2014. After the examinations for discovery is completed, the case may continue to trial in the spring of 2014 dependent on the results from examinations for discovery. As the case is before the Court the Company will not publicly comment on the lawsuit but will continue to update shareholders on material matters as they arise.

On February 6, 2013 and March 6, 2013 the Company received two bridge loans for $35,000 and $100,000 respectively from a shareholder. On April 4, 2013 the Company entered into a Security Agreement with the shareholder and secured the loans and each advance with Promissory Notes and further established a loan facility of up to $300,000. In consideration of the facility, the Company incurred a 6% financing fee of $18,000 deemed to be advanced and part of principal as of February 6, 2013, and subject to an annual interest rate of 12% under the facility. The Company drew an additional $120,000 on April 4, 2013 as part of the loan facility to bring the drawn balance of the loan facility to $273,000 as of May 30, 2013. On June 1, 2013 the Company extinguished the loan facility through re-payment of the $273,000 drawn balance plus accrued interest of $16,380 for a total of $289,380.

On April 3, 2013, the Company re-priced the exercise price of 5,400,000 stock options it previously granted on December 5, 2012 from $0.08 to $0.10 per common share subject to regulatory approval. Ultimately as necessary regulatory approval also required the filing of a new option plan and, in particular, additional fees and given company cash constraints it was decided to not seek approval at this time. Hence all such option grants stand as "not granted" or null and void for lack of perfection of the grant as required for compliance.

On April 23, 2013, OZ Minerals notified the Company of its withdrawal from the Joint Venture option agreement effective May 23, 2013.

On April 30, 2013, Mr. Peter Kohl, the Company's CFO and Corporate Secretary resigned from all the Offices held by him and, as well, Board Membership at the Company's subsidiaries. He is succeeded by James Albrecht the Company's new CFO.

On May 21, 2013, the Company issued 800,000 stock options at an exercise price of $0.10 per common share with an expiry date of May 21, 2018, subject to regulatory approval which has not been sought to date for the same reason as outlined in the April 3, 2013 Option event.

On May 29, 2013, the Company announced the engagement of Haywood Securities Inc. to act as the Company's advisor in the sale of the Company's 100% owned Copaquire Property. As discussed above, the Company reached an agreement on October 11, 2013 to sell its 100% owned Copaquire property to a subsidiary of Teck Resources Limited.

On May 29, 2013, the Company announced a Convertible Debenture Private Placement ("Debenture"). The Debenture bears interest at a rate of 14% per annum paid semi-annually and matures on the earlier of June 1, 2014, the sale of PBX's 100% owned Copaquire property or in the event of the sale (change of control) of the Company. The Debenture is convertible at $0.06 per share after December 1, 2013 at the holder's option if the Company does not repay the principal together with an additional amount equal to the principal including accrued interest (referred to as the "100% bonus") on or before December 1, 2013. In the event of the sale of Copaquire or the Company at any time up until June 1, 2014 the Debenture is due in full immediately including accrued interest and the 100% bonus. In addition, each holder will receive an amount equal to 10% of the principal of the Debenture in shares ("bonus shares") of the Company at a price of $0.03

per Share. The Convertible Debenture Private Placement closed on July 15, 2013 with a total of $934,380 raised through the Debenture and 3,114,599 total common shares issued as ”bonus shares”.

As noted above, as a result of the proposed sale of Copaquire upon closing of the transaction the Company is required to repay the principal amount of the Convertible Debenture plus accrued interest and the 100% bonus per the terms of the Convertible Debenture Agreement. As such the 100% bonus has been reflected in the financial statements.

On October 11, 2013, the Company announced that through its wholly owned Chilean subsidiary, Minera IPBX Ltda. (“IPBX”), it has entered into an agreement to sell 100% of its interest in the Copaquire Property (“Copaquire” or “the Property”), located in the Andean Cordillera section of Region I, northern Chile, to Teck Resources Chile Ltda. (“Teck”), a subsidiary of Teck Resources Limited for US$3,033,556 cash plus a 3% net smelter royalty (NSR) payable to IPBX. Additionally, Teck will have the option to buy back 1% of the NSR for US$3 million at any time. The sale is subject to legal and title due diligence and PBX shareholder approval and is expected to close in December, 2013. The Transaction has been approved by the PBX Board of Directors and Haywood Securities Inc. has provided an opinion to the Company that the Transaction is fair, from a financial point of view, to PBX shareholders. On October 28, 2013, the Company received TSX Venture Exchange conditional approval for the transaction.

On October 16, 2013 the Company entered into a six month bridge loan agreement with a shareholder to borrow $115,000. The loan is due on the earlier of: a.) 30 days after closing the Copaquire transaction or b.) April 30, 2013. The loan bears interest at 18% and a 10% upfront financing fee was due upon receipt of funds.

On November 5, 2013 the Company announced it is proposing a consolidation of its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. In addition, the Company proposes to change its name to “Chilean Metals Inc.” The proposed name change and share consolidation require shareholder and TSX Venture approval. The Company will be seeking shareholder approval at its Annual General and Special Meeting (the “Meeting”) to be held on December 3, 2013. If shareholder approval is obtained at the Meeting the consolidation and name change will become effective at a future date to be determined by the Board of Directors when the Board considers it to be in the best interests of the Company to implement and all regulatory compliance filings have been completed.

The Company’s main properties are discussed below as follows:

As of September 30, 2013, through its Chilean Subsidiaries, International PBX Ventures Ltd holds title to 107 mineral claims totaling 24,909 hectares, including the Copaquire claims. These claims make up seven properties currently maintained by the Company as follows: Copaquire, Tierra de Oro, Palo Negro, Hornitos, Sierra Pintada, Tabaco and Zulema.

Copaquire, Chile

As discussed above the Company has come to an agreement to sell its Copaquire property subject to Shareholder and Exchange approval. The following description outlines the Copaquire property: .

Copaquire is a 100% owned, advanced stage exploration project comprising 2,017 hectares, is a copper-molybdenum porphyry system in the Andean Cordillera of Region I, northern Chile. The property is located approximately 20 km west of the Collahuasi mine and 8 km west of the Quebrada Blanca copper-molybdenum mine.

The Company's 2004 to 2008 exploration programs of geological, geochemical, geophysical surveys and 29,541 metres of drilling confirmed large areas of copper and molybdenum-rhenium porphyry mineralization. Two of the three large targets identified by late 2005 i.e. Sulfato and Cerro Moly, were partially drilled in more detail during 2006 and 2007. Both continue to demonstrate that they have the dimensions to host large open pit deposits.

The table below presents the estimate of the updated resource of the Cerro Moly deposit using a 0.028% Mo cut-off, with an Indicated resource of 229.5 million tonnes at 0.039% Mo and an additional Inferred resource of 193.9 million tonnes at 0.026% Mo.

Table 0-1: Mineral Resource Statement for Copaquire Deposit using 0.028% Mo Cut-off (Technical Report, 2012)

Cut-Off MoEq (%)	**Category**	**Tonnage (kt)**	**Mo** (%)	**lb Mo**	**Cu** (%)	**lb Copper**	**Re (ppm)**	**MoEq (%)**
0.028	Indicated	229,474	0.039	197,246,671	0.111	561,394,373	0.104	0.069
	Inferred	193,888	0.026	111,105,580	0.146	623,900,562	0.063	0.066

Since 2010 the Company's exploration efforts have been focused on the large Sulfato copper zone immediately north of the Cerro Moly deposit.

In March of 2010 the Company commenced a 2,500 meter drill program on the Sulfato South Copper zone, with the objective of defining a higher grade copper zone and potential starter pit for the Copaquire mine plan developed in the recent Preliminary Assessment. Results from the first drill hole returned 267 meters at 0.57% copper including 139.6 meters at 0.82% copper. These results demonstrated that high grade copper mineralization extends down to significant depths.

Also in 2010 the Company initiated an extensive bulldozer trenching program on the Marta porphyry stock, west of Cerro Moly. No previous work had been carried out by the Company in the Marta area, although historic copper-molybdenum exploration adits were present. This program was successful in exposing extensive areas of copper porphyry, copper intrusive breccia, copper oxide and chalcopyrite mineralization throughout the southern portion of the Marta stock area. An area of copper skarn was also exposed between the Copaquire and Marta porphyry intrusions.

The Company initiated a "Titan Deep Penetration IP Survey" over the two porphyries. The Titan 24 DCIP & MT system is a multi-parameter distributed ground geophysical survey system designed to collect large volumes of precise IP chargeability and resistivity subsurface geophysical data to depths of 750 metres and MT (magnetotelluric resistivity) data to depths of 1,500 metres.

The Survey consisted of 2 spreads of Titan 24 DCIP and MT in a single line across the southern portion of the Copaquire property.

In September 2010 the Company announced the results of the Titan Deep Penetration IP Survey. Based on its interpretation of the survey results, Quantec Geosciences Ltd. identified nine high priority geophysical targets for follow-up drill testing.

The positive results of the 2010 drill program, the new areas of extensive copper mineralization exposed at the Marta zone and the positive results of the Titan geophysical survey all served to generate extensive interest from several major and mid-tier mining groups.

On May 6, 2011, the Company entered into an option agreement with a private Chilean company to acquire a group of claims totaling 560 hectares positioned adjacent to the north and west of current Copaquire mining claims. During April 2012, the Company exercised its option and acquired one additional claim of 5 hectares from the same company for a combined total amount of US$800,000, payable over four years as follows: 1st year US$196,000, 2nd & 3rd year US$201,333, and 4th year US$201,334. The agreement is in good standing as of November 29, 2013. The new claim area provided the company with complete coverage of the new Marta porphyry. The conditions of the sale of Copaquire to Teck require that Teck will assume all future option payment obligations subsequent to closing of the transaction.

Additionally, in January 2011, the Company completed an airborne ZTEM geophysical survey over the entire Copaquire property. The ZTEM system is one of the leading airborne geophysical systems in use today and is particularly suited to identifying large conductive ore bodies. The ZTEM system is renowned for its deep penetration, high spatial resolution and ability to detect and differentiate weak electro-magnetic anomalies at depths up to 1,500 metres.

In February 2011 the Company announced the results of the ZTEM survey. It successfully identified the known resource at Cerro Moly as well as the large extent of the Sulfato zone to the north. The ZTEM survey also identified and confirmed that the Marta area contains a very large deep seated intrusive body (2km x 4.5km and approx. 1.5km in depth).

Two 2011 drill holes CQ-106 and CQ-108 in the Marta area intersected widely spaced veinlets of quartz-pyrite-chalcopyrite-moly mineralization within altered granodiorite. The PBX field geologists believed that the presence of widely spaced veinlets in both holes were typical of mineralization encountered peripheral to major porphyry copper centers in the Collahuasi mining district.

In October 2011 the Company completed a 5,000 meter infill drill program in the Sulfato South copper zone and in January 2012 announced a resource of 102 million tonnes with 0.40% copper equivalent and filed a supporting technical report in January 2012.

Cerro Moly Resource Estimate from the Technical Report

Case	Cut-Off MoEq (%)	Category	Tonnage (kt)	Mo (%)	lb Mo	Cu (%)	lb Copper	Re (ppm)	MoEq (%)
Base Case	**0.028**	**Indicated**	**229,474**	**0.039**	**197,246,671**	**0.111**	**561,394,373**	**0.104**	**0.069**
		Inferred	**193,888**	**0.026**	**111,105,580**	**0.146**	**623,900,562**	**0.063**	**0.066**
	0.032	Indicated	181,374	0.042	167,894,284	0.118	471,702,989	0.116	0.074
		Inferred	141,595	0.027	84,260,353	0.162	505,562,116	0.065	0.071
	0.036	Indicated	141,848	0.045	140,684,846	0.126	393,917,570	0.125	0.079
		Inferred	105,675	0.028	65,214,156	0.179	416,904,783	0.068	0.077

Sulfato South Resource Estimate from the Technical Report

%CUEQ Cut-off	Tonnage T x 1000	Copper % Grade	CU%_P lb Cu	MO % Grade	MO%_P lb MO	CuEQ % Grade	CUEQ%_P lb CUEQ
0.70	359.710	0.73	5,809,388	0.023	183,979	0.86	6,821,275
0.60	2,047.902	0.66	29,792,497	0.023	1,056,772	0.79	35,604,742
0.50	7,743.377	0.57	97,786,725	0.021	3,595,197	0.69	117,560,307
0.40	20,085.466	0.49	218,373,939	0.019	8,585,374	0.60	265,593,494
0.30	44,198.812	0.41	399,752,381	0.017	16,968,164	0.51	493,077,285
0.20	**103,401.506**	**0.32**	**720,252,661**	**0.016**	**35,408,432**	**0.40**	**914,999,037**
0.10	160,605.291	0.26	921,995,275	0.015	53,711,949	0.34	1,217,410,994

On May 23, 2012, the Company entered into a Joint Venture Option Agreement with OZ Exploration Chile Limitada, a wholly owned subsidiary of OZ Minerals Limited of Australia.

In October 2012, OZ Minerals advised the Company that drilling at Copaquire had commenced.

On April 9, 2013, Management decided to allow the Huatacondo claims "to lapse" as they were deemed to be non-essential.

On April 23, 2013, OZ Minerals notified the Company of its withdrawal from the Joint Venture option agreement effective May 23, 2013.

On October 11, 2013, the Company announced it had reached an agreement to sell its 100% ownership in the Copaquire property as discussed in detail in the *"Discussion of Business and Overall Performance"* section above.

During the period ended September 30, 2013, the Company spent $119,798 (2012 – $778,133) on the Copaquire project.

Tierra de Oro (TDO), Chile

Tierra de Oro is an advanced stage exploration project of 5,758 hectares covering the historic Chanchero gold camp (past production of about 200,000 ounce gold) and numerous areas of historic oxide copper workings on the eastern flank of the Coastal Iron Oxide Copper Gold belt of Region III, northern Chile. The property lies about 30 km south of the large Candelaria copper-gold-silver-iron mine.

The Company initially became involved in the property in 1996 as a joint venture with Princeton Mining to explore for acid soluble copper deposits. During the course of this exploration the Chanchero gold camp was discovered and added to the property. In 1998 the Company bought out Princeton's interest. The property was dormant between 1999 and 2002 but reactivated in late 2003.

To date the company has conducted property-wide geological, geochemical, geophysical surveys and limited trenching and drilling. The surveys delineated five major gold bearing structure zones from 2-5 kilometers in length and 50-300m in width. Within these zones at least twenty large gold targets were identified. All demonstrated surface gold grades and widths that were believed sufficient to host both open pit and underground mineable deposits in the 200,000 to 1,000,000 ounce range.

During November 2007, the Company commenced a 7,000 meter drill program to test the identified gold targets. The drill results failed to corroborate the positive gold values obtained by surface sampling programs. However, areas of significant silver-copper mineralization hosted in shears and mantos within volcanic stratas were identified which justified additional work. Highlights included RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver. RC58 intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an IP Survey, the Company announced the discovery of a large induced polarization anomaly in the Chanchero zone. The large near-surface anomaly is elongated northeast-southwest, 2,800 meters long, 1,700 meters wide, and open at depth. The intensity and homogeneity of this chargeability response, coincident with a strong magnetic low anomaly and coupled with the presence of an altered iron oxide-rich porphyritic intrusion hosting copper-gold veins at surface, may indicate the presence of a large sulphide rich system at moderate depth.

In February 2011 the Company completed an Airborne ZTEM survey over the Tierra de Oro property in areas where potential IOCG targets and mineralized zones had been identified by previously-conducted geological, geochemical and ground geophysical programs.

In August 2011 the company announced results of the ZTEM survey. Two magnetic anomalies of significant size were identified on the Tierra de Oro property. One in the Chanchero area lies adjacent to a previously identified IP anomaly and is associated with a large copper-gold-molybdenum soil geochemical anomaly. The second magnetic anomaly is located in the eastern area known as the Las Lomitas zone and is associated with copper-silver prospects. These newly-identified magnetic features together with coincident geological-geochemical-geophysical anomalies will be the focus of a future drill program.

In the spring and summer of 2013 a complete review and analysis of TDO was completed by Chris Hodgson, VP of Exploration for the Company. As a result, the company has identified 3 large distinct bulk copper gold targets that the company believes warrant a relatively small targeted exploratory drill program. To achieve this objective the company has entered into discussions with several major mining companies and selected Chilean Private Equity firms with a view to developing a joint venture agreement to conduct the stated, proposed initial exploration program and subsequent drilling programs if so dictated by positive results. The company anticipates being able to report that a joint venture agreement is in place on or before the end of Q1 2014.

During the period September 30, 2013, the Company spent $27,581 (2012 - $57,338) on the Tierra de Oro project, including geological remuneration included in administration fees in the financial statements.

Sierra Pintada, Chile

Sierra Pintada is an early-stage exploration project of 4,970 hectares covering 15 kilometers along the western flank of the Atacama Fault Zone the coastal iron oxide copper gold (IOCG) belt of, northern Chile. Individual structures that form the Atacama structural zone in this sector are the loci of numerous centers of past high grade copper, gold, silver and cobalt mining with past production ranging from 550 million to 850 million pounds of copper and 300,000 to 1,500,000 ounces of gold. Three historic mining districts, La Gloria, Vińa and Totora lie within the Sierra Pintada property.

Exploration concessions were acquired by the Company in September and October, 2002. Exploration programs over the period 2003 to 2005 included geological mapping, soil geochemical surveys and chip sampling of readily accessible former workings in the three camps. These programs defined seven strong copper-gold exploration targets along two structural zones each at least 15 kilometers in length and 50-200m in width that transect the three historic mining camps.

In 2007 to 2008 the company performed a deep-penetration induced polarization (IP) geophysical survey to test structurally-controlled gold and copper prospects on the property for potential deeper porphyry bulk-tonnage or iron-oxide-copper-gold targets. The survey, covering the Viña, La Gloria and Totora Zones, outlined several high priority IP targets including a strong IP target in an unexplored area to the south of the Vina Zone. Follow-up of this last target resulted in the discovery of a mineralized Au, Cu–bearing, silicified quartz porphyry dyke. This new zone is now referred to as the Futura Zone.

In February 2011 the Company completed an Airborne ZTEM survey over the entire property. The airborne ZTEM survey was conducted to further delineate the size and depth of mineralized zones identified in previous geological, geochemical and ground geophysical surveys and to identify additional exploration targets.

In June 2011 the Company announced the results of the ZTEM survey. The ZTEM survey successfully mapped the Sierra Pintada portion of the Atacama Fault system, a structural zone near which world-class deposits such as Candelaria are located. The fault system is outlined by two parallel SW-NE trending anomalous ZTEM conductors running the entire 15km length of the property. The Survey interpretation indicates the North and South Block mineralized structures discovered to date are part of a single major SW-NE strike-slip fault system that averages 2km in width and is at least 15km long. The conductors link both mineralized North and South blocks beneath overburden in the center of the property and doubles the total exploration area prospective for high grade mineralization.

Discrete magnetic anomalies also coincide with IP anomalies in the North and South blocks.

The ZTEM survey significantly increased the exploration area on the Sierra Pintada copper-gold property through identification of additional drill targets.

In the spring and summer of 2013 a complete review and analysis of Sierra Pintada was completed by Chris Hodgson, VP of Exploration. As a result the company has identified 2 large distinct bulk copper gold targets that the company believes warrant a small targeted exploratory drill program.

To achieve this objective the company has entered into discussions with several major mining companies and selected Chilean Private Equity firms with a view to developing a joint venture agreement to conduct this initial exploration program if so dictated by positive results. The company anticipates being able to report that a joint venture agreement is in place on or before the end of Q1 2014.

During the period ended September 30, 2013, the Company spent $32,327 (2012- $58,771) on the project, including geological remuneration included in administration fees in the financial statements.

New Project

The company has acquired 23 exploration concessions totalling approximately 5,300 hectares on a new target in Chile. Additional land acquisition is under way and the company expects it will be in a position on or before the end of Q1 2014 to update its shareholders on its objectives in obtaining this new IOCG target.

During the period ended September 30, 2013, the Company spent $61,776 (2012 - $Nil) on acquisition costs of some land on the project and geological remuneration included in the administration fees in the financial statements.

SELECTED ANNUAL INFORMATION

	December 2012	December 2011	December 2010
Total Revenues	-	-	-
Loss Before Discontinued Operations	(2,491,841)	(3,336,229)	(2,247,963)
Loss Per Share	(0.02)	(0.03)	(0.03)
Total Net Loss	(2,491,841)	(3,336,229)	(2,247,963)
Total Net Loss Per Share	(0.02)	(0.03)	(0.03)
Total Assets	25,444,635	25,057,166	21,226,697
Total Long-Term Financial Liabilities	-	-	-
Cash dividends declared per-share	-	-	-

RESULTS OF OPERATIONS AND FINANCING ACTIVITIES

All of the financial information referenced below has been prepared in accordance with International Financial Reporting Standards (“IFRS”).

As at September 30, 2013, the Company had a working capital deficiency of $2,899,292 with current assets of $59,508 and current liabilities of $2,958,800.

The Company’s operations during the period ended September 30, 2013, produced a net loss of $1,976,783 or $0.01 per share compared to a net loss of $1,490,179 or $0.01 per share for the period ended September 30, 2012.

The increase of $486,604 in net loss to the previous year’s comparative period is mainly attributed to the $934,380 additional financing cost on the Convertible Debenture. The Company has significantly reduced overhead costs from the prior period by approximately $304,729 not including interest and bank charges and the additional financing cost. The section directly below compares financial statement line items for the period ended September 30, 2013 and 2012:

1. Administration fees of $204,603 (2012 – $326,330) represent a $121,727 decrease from 2012. The Company changed its Board and Management resulting in significant administration related savings and also reduced the use and fees of outside consultants compared to the previous year’s period in line with management’s objective to reduce overhead in the current market environment.

2. Bank charges and interest expense of $103,239 (2012 – $21,716) represent a $81,523 increase from 2012. During the September 30, 2013 period, the Company relied increasingly on bridge loans and the convertible debenture rather than issuance of equity to raise funds resulting in significantly increased interest charges from the previous period.

3. Investor relations expenses of $18,684 (2012 - $25,936) represent a $7,252 decrease due to a reduction in investor relations activities during the period,

given the current market environment. Upon closing of the sale of Copaquire the Company will consider increasing investor relations activity and promote the Company's stock in line with the Company's new direction for potential joint venturing of properties and acquisition(s) of new land.

4. Office and Miscellaneous expenses of $173,817 (2012 – $204,811) represent a $30,994 decrease from 2012 and the break down is as follows:

	2013	2012
Office & misc.	109,384	130,765
Rent	44,380	53,950
Telephone & Communication	5,878	4,966
Insurance	14,175	15,130
Total	173,817	204,811

5. Total other exploration expenses of $33,192 (2012 - $111,412) represent a $78,220 decrease from 2012. This resulted from the company spending significantly less money on additional exploration work during the period as Management continues to evaluate the properties and was focused on the sale of the Copaquire property.

6. Travel and promotional expenses of $52,551 (2012 - $136,507) represent a $83,956 decrease from 2012 due to reduced travel and promotional activities during the period as management is conserving cash and significantly reducing overhead expenses given the current market conditions. Upon closing of the sale of Copaquire the Company may consider increasing promotional activities around the Company in a reasonable cost range to assist in promoting management's new focus to current and potential new shareholders.

7. Professional Fees of $287,437 (2012 – 321,648) represent a $34,211 decrease from 2012 due to reduced legal costs as a result of fewer private placement equity issuances and one time legal fees associated with arranging the Company's legal structure as part of the proposed spin out in 2011 and 2012. Additionally, accounting expenses have been reduced from the prior year as part of management's objective to minimize overhead in the current market conditions.

8. Share Based Payments of $Nil (2012 – $177,874) represents a $177,874 decrease from 2012 as the Company has not sought regulatory approval on the stock options issued in the current year and thus, no stock option expense has been recorded. Regulatory approval will likely be sought as replacement options are issued, upon the closing of the sale of Copaquire with the associated share based payment expenses and such filing fees, being recorded at that time.

9. Transfer Agent and Regulatory of $17,153 (2012 – $43,742) represents a $26,589 decrease from 2012 due to a decrease in the number of private

placements and associated fees with those private placements that took place in the period ended September 30, 2012 compared to the period ended September 30, 2013.

SUMMARY OF QUARTERLY RESULTS

The following are the results for the most recent eight quarters with the last quarter ending September 30, 2013:

	2013	2013	2012	2012	2012	2012	2012	2011
	Sep.30	Jun.30	Mar.31	Dec.31	Sep.30	Jun.30	Mar.31	Dec.31
Total Revenues	-	-	-	-	-	-	-	-
Loss Before Discontinued Operations	(1,189,073)	(373,269)	(414,441)	(1,001,951)	(332,516)	(601,941)	(555,433)	(721,778)
Loss Per Share	(0.01)	(0.002)	(0.003)	(0.003)	(0.003)	(0.004)	(0.004)	(0.01)
Total Net Loss	(1,189,073)	(373,269)	(414,441)	(1,001,951)	(332,516)	(601,941)	(555,433)	(721,778)
Total Net Loss Per Share	(0.01)	(0.002)	(0.003)	(0.003)	(0.003)	(0.004)	(0.004)	(0.006)

LIQUIDITY AND CAPITAL RESOURCES

The Company finances its operations through the sale of its equity securities, bridge loans and other financing activities. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through loans, convertible debt instruments or equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now and in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and/or sell its interests in its properties.

The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes it will be able to raise funds as required in the long term, but recognizes the risks attached thereto.

As at September 30, 2013, the Company had a working capital deficiency of $2,899,292 with current assets of $59,508 and current liabilities of $2,958,800.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are several and are intended 1) to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties, 2) to maintain a flexible capital structure for its projects for the benefit of its stakeholders, 3) to maintain creditworthiness and 4) to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares and other financing activities.

The Company includes the components of shareholders' equity in its management of capital.

As at September 30, 2013, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, obtain loans or issue convertible debenture securities to raise cash.

The Company's investment policy is to invest its cash (when available) in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

RELATED PARTY TRANSACTIONS:

During the periods ended September 30, 2013 and 2012, transactions and balances with related parties are as follows:

	2013	**2012**
Administration fees paid to companies controlled by directors and former directors (not including key Management personnel)	-	38,761
Accounting fees paid to a company controlled by a former officer (not including key Management personnel)	26,276	33,379
Total amounts paid to companies controlled by directors and officers who are or were key Management personnel (break down in Key Management Personnel table below)	205,581	277,000

Included in accounts payable and accrued liabilities is $114,860 (2012 - $99,464) owing to current or former directors and officers, and companies controlled by current and former directors and officers. Of this amount, $101,747 of management fees is allegedly owed to its former director and Chief Executive Officer, and a company controlled by him, each of whom have sued the company but which such alleged obligation is disputed by the Company and is under litigation. Refer to Note 10[c] and [d] in the financial statements for further discussion and see below next.

On March 20, 2013, the Company filed a counterclaim concerning said management fees of $101,747 allegedly payable by it. The counterclaim is in the amount of $181,600. The Company intends and continues to vigorously defend itself against the claim and to pursue its counterclaim. The counterclaim has not been reflected in the financial statements.

The Company obtained two loans from the former Chairman of the Board, who resigned on March 28, 2012. Both loans are interest bearing at 1% per month, payable monthly and are unsecured.

Included in the advances, prepaid expenses and deposits is $24,000 (2012 - $24,000) for administrative fees paid to companies controlled by a current officer covering periods subsequent to September 30, 2013.

The aggregate value of transactions relating to key Management personnel and entities over which they have control or significant influence over are as follows:

Compensation	Fees charged $	Share-based benefits $	Period ended June 30, 2013 $	Fees charged $	Share-based benefits $	Period ended June 30, 2012 $
Chairman of the Board	-	-	-	10,000	20,320	30,320
President	-	-	-	48,000	40,714	88,714
Chief Executive Officer (former)	-	-	-	120,000	20,320	140,320
Chief Executive Officer & President	108,000	-	108,000	-	-	-
Chief Financial Officer (former)	63,000	-	63,000	99,000	10,160	109,160
Chief Financial Officer	34,581	-	34,581	-	-	-
Total	205,581	-	205,581	277,000	91,514	368,514

All of the above transactions have been in the normal course of operations, and in Management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

INVESTOR RELATIONS

On December 6, 2012, the Company engaged Bay Street Connect to provide investor relations services to the Company for a monthly fee of $8,000 and an initial service period of six months. Effective February 1, 2013, the parties mutually terminated the services and as a result 400,000 stock options were cancelled. The Company will continue to update shareholders on material news through press releases.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, amounts receivables, advances, pre-paid expenses and deposits, accounts payable, accrued liabilities, convertible debentures and loans due to arms length and non-arms length parties. Unless otherwise noted, it is Management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values due to their short-term maturity capacity for prompt liquidation.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of operations and comprehensive loss included in the financial statements for the period ended September 30, 2013 and 2012 and the "Results of Operations and Financing Activities" section above. Additionally, resource property costs are broken down in Note 5 of the financial statements for the period ended September 30, 2013 and 2012. The Company's financial statements are available on SEDAR at 'www. sedar.com'.

DISCLOSURE OF OUTSTANDING SHARE DATA

Outstanding Share Data as at November 29, 2013:

	Number outstanding	Exercise Price	Expiry Date
Common shares issued	160,813,747		
Common shares issuable on exercise:			
Stock options[(1)]	800,000	$0.10	May 21, 2018
Stock options[(1)]	5,400,000	$0.10	December 5, 2017
Stock options	100,000	$0.10	June 4, 2014
Stock options	800,000	$0.38	July 5, 2014
Stock options	50,000	$0.50	January 31, 2014
Stock options	2,100,000	$0.12	June 25, 2015
Total options	**9,250,000**		
Warrants	2,381,000	$0.25	February 8, 2014
Warrants	4,188,250	$0.12	April 28, 2014
Warrants	4,152,500	$0.12	July 27, 2014
Warrants	10,795,833	$0.07	December 31, 2013
Total warrants	**21,517,583[(2)]**		

(1) – See "Options" paragraph below for explanation and reconciliation to financial statements.
(2) – There were 2,640,000 warrants which expired on October 27, 2013. This chart is as of November 29, 2013 and therefore, the difference in total warrants outstanding between the MD&A and the financial statements as at September 30, 2013, is due to the warrants which expired on October 27, 2013.

Options

The Company granted 5,400,000 stock options in December 2012 with an exercise price of $0.08 per share and re-priced them on April 3, 2013 to $0.10. The Company granted an additional 800,000 stock options on May 21, 2013 at an exercise price of $0.10 with an expiry date of May 21, 2018. As of November 29, 2013 the Company has not sought regulatory approval for any of these Options previously granted and as a result they have not been recorded in the financial statements for accounting purposes and have been included in the MD&A for illustration and disclosure purposes only. The total number of

Stock Options outstanding for accounting purposes, as included in the financial statements, as at September 30, 2013 is 3,050,000.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 – Financial Instruments

The IASB aims to replace IAS 39 'Financial Instruments: Recognition and Measurement' (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after January 1, 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. Management has yet to assess the impact of this new standard to the Company.

IAS 32 – Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The Amendments to IAS 32 add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities in the following two areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- that some gross settlement systems may be considered equivalent to net settlement

The Amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. Management does not believe the IAS 32 accounting standard will materially affect the Company.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior Management, so that appropriate decisions can be made regarding public disclosure. The Company's Management, with the participation of its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures.

Based on that evaluation, Management has concluded that, as of the end of the period covered by this Management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – Certification of disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to Management as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal controls over financial reporting during the Company's period ended September 30, 2013 that materially affected, or was reasonably likely to materially affect the Company's internal control over financial reporting.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under National Instruments 52-109 for the period ended September 30, 2013. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company's approach to governance issues. Committees of the Board presently consist of an Audit Committee. Based on the evaluation, Management has concluded that the design of these internal controls and procedures over financial reporting was effective.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy of the information presented herein. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company's approach to governance issues. Committees of the Board presently consist of an Audit Committee.

CAUTIONARY STATEMENT RISKS AND UNCERTAINTIES

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate, "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied, by these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, unfavorable feasibility studies, fluctuations in the market valuation for the minerals, difficulties in obtaining required approvals for the development of a mine and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this MD&A or as the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company does not intend, and does not assume any obligation to update these forward looking statements.

FUTURE DEVELOPMENTS AND DISCUSSION

These continue to be very difficult times in the mining industry in general and in particular for junior mining companies. By all accounts, our company has had to deal with the harshest market conditions in recent history while struggling with significant debt and low or negative cash position when the new Board and Management took control of the Company about one year ago via a costly proxy battle. Outstanding debt and the generally poor market conditions have combined to cause the Company's weak financial position which has made it difficult to move forward.

However, Management believes it will now be in a better position to move forward as a result of the Company coming to an agreement to sell its 100% owned Copaquire Property. Subject to necessary approvals the Company will be in a position to largely extinguish its debts and Management expects the Company will be in a much more economically viable financial position for financing its proposals. Management will then be able to focus on adding to shareholder value while continuing to minimize overhead costs.

The Company has significant other properties which the market has essentially "forgotten about" as the focus of the Company over the past few years has been around Copaquire. As a result Management will now be spotlighting and focusing on bringing these other properties to the forefront as part of the re-branding process that the Company is undertaking as announced.

As part of the re-branding process the Company plans to change its name to better reflect in a direct way its focus and complete a share consolidation. The share consolidation is necessary to provide a sustainable future share structure. In addition, it may help to broaden new investor appeal for any future private placements and may help to improve the overall market perception of the Company's stock.

Subsequent to the closing of the sale of Copaquire the Company may choose to complete a private placement. The funds from the private placement would likely be used to acquire some additional land around prospects identified by the Company's management and then would likely complete a small exploration program on the land package. Despite poor market conditions or perhaps because of them competition is actually very real and management has opted for such competitive reasons not to release information about its activities. Once land packages have been officially assembled Management will then announce a more detailed outlook and plan. Management is in negotiations with several parties currently holding certain lands and expects to have agreements in place with such parties by on or before the end of Q1 2014. While Management has spent very little money on promotion and investor relations services in fiscal year 2013 we expect to increase promotion and investor relations activity once we are in a position to promote fresh land packages and an exploration program, thus bringing increased attention and awareness to the stock.

Management continues discussions with a few parties regarding a possible joint venture arrangement for its Tierra de Oro Property. We would expect to be able to report on obtaining an acceptable joint venture agreement on TDO on or before the end of Q1 2014.

Through, the nine months ended September 30, 2013 Management has reduced overhead costs by approximately $304,729, not including interest and financing fee on Loans and the Convertible Debenture. The reduction of overhead costs continues to be of great importance and focus of management especially at a time when financing at the current time can be expensive and dilutive.

DIRECTORS		OFFICERS		AUDIT COMMITTEE
Ian Pirie		Ian Pirie (Chairman of the Board)		Ian Pirie
Terry Lynch		Terry Lynch (President & CEO)		Terry Lynch (Chairman)
Dan Gosselin				
Peter Kent				
Zhangliang Lou				Zhangliang Lou
		Peter Kohl, (CFO & Corporate Secretary; until April 30,2013) James Albrecht, CFO as of May 1, 2013)		

On Behalf of the Board,
Terry Lynch, CEO & President