Copper One Inc.

Management's Discussion and Analysis

Three months ended March 31, 2014

Introduction

The following Management's Discussion and Analysis ("MD&A") of financial results and related data of Copper One Inc. ("Copper One" or the "Company") is intended to complement and supplement the unaudited condensed interim consolidated financial statements of Copper One Inc. for the three months ended March 31, 2014 and 2013 (The "Financial Statements") and should be read in conjunction with the Financial Statements. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as otherwise disclosed all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

The commentary is current to May 30, 2014 unless otherwise indicated. References to the 1st, 2nd, 3rd and 4th quarters of 2014 or Q1-2014, Q2-2014, Q3-2014 and Q4-2014, and the 1st, 2nd, 3rd and 4th quarters of 2013 or Q1-2013, Q2-2013, Q3-2013 and Q4-2013 mean the three months ended March 31, June 30, September 30 and December 31, 2014 and 2013 respectively. The reader should be aware that historical results are not necessarily indicative of future performance. The Company is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario. The Company's common shares commenced trading on the TSX Venture Exchange on November 16, 2009 under the symbol "CUO" and prior to that traded on the Canadian National Stock Exchange.

Paul Cowley, P. Geo, a member of Copper One's Board of Directors, is a "Qualified Person" as such term is defined under National Instrument 43-101 guidelines and has reviewed and approved the scientific and technical information in this MD&A.

Cautionary Note Regarding Forward Looking Statements

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

Description of Business

The Company is in the process of exploring and evaluating mineral property interests in Quebec, Canada. The Company owns 100% of the 60,000 hectare project area referred to as the Rivière Doré Property, which covers an 85 kilometer long newly discovered layered mafic intrusive complex located southeast of the town of Val-d'Or, Quebec. The Company also holds a 100% interest in the Queylus copper gold property, located near the town of Chibougamau, Quebec. The Queylus Property is located less than 10 kilometers from the town of Chibougamau, Quebec and consists of 225 claims totalling approximately 3,600 hectares (36 km^2). Access is excellent and is provided by Highway 167, which runs through the western portion of the property.

On April 8, 2014, 8815046 Canada Ltd., a wholly-owned subsidiary of the Company, entered into a definitive purchase agreement (the "Purchase Agreement") with FQM (Akubra) Inc. ("FQM (Akubra)"), a wholly-owned subsidiary of First Quantum Minerals Ltd. ("First Quantum"), to acquire a 100% interest in the past producing Troilus Mine, which has estimated Measured and Indicated mineral resources of 1.4 million ounces of gold and 100 million pounds of copper and an Inferred resource of 300,000 ounces of gold and 25 million pounds of copper (see table below). The Troilus property is located approximately 175 km by road from the town of Chibougamau, Quebec and consists of 81 mineral claims and one surveyed mining lease that collectively cover 6,422 hectares. The acquisition will include all infrastructures such as roads, power lines, camp buildings, permitted tailings pond, and associated water treatment facilities. The mill was sold and removed during the first phase of reclamation. In consideration for the Troilus Mine, the Company granted to FQM (Akubra) a 2.5% net smelter returns royalty and assumed all liabilities relating to the project as of January 1, 2014. The Company expects to close the acquisition of the Troilus property in the second quarter of 2014.

Table 1 - Z87 Underground Mineral Resource Estimate, December 2005

Category	Tonnes	Cu %	Au g/t	Cu (x1000 lbs)	Au ounces
Measured	-	-	-	-	-
Indicated	29,400,000	0.16	1.48	105,000	1,400,000
Total M&I	29,400,000	0.16	1.48	105,000	1,400,000
Inferred	7,900,000	0.14	1.18	24,800	300,000

To the best of the Company's knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of this mineral resource inaccurate or misleading. The mineral resource estimate reported above is based on the following assumptions, as reported in the technical report entitled **"Technical Report on the Troilus Mine Z87 Underground Mineral Resource Estimate, Quebec, prepared for Inmet Mining Corporation"** dated April 28, 2006 (the "Technical Report") and prepared by Luke Evans, M.Sc., P.Eng, Executive Vice President, Geology and Resource Estimation, Roscoe Postle Associates Inc., a Qualified Person as defined by National Instrument 43-101.

Gold price: US $450 per ounce
Copper price: US $1.10 per pound
Cut-off grade: 0.80 grams of gold per tonne

During the year ended December 31, 2013, the Company shifted its focus to the Quebec properties and sold its wholly-owned subsidiary, Copper One USA, Inc. ("Copper USA") , which owns the Lone Mountain and Mimbres properties in New Mexico, and the West Jerome, Twin Peaks, West Safford and Teague Springs properties, to Cornerstone Metals Inc. (“Cornerstone”) on August 22, 2013.

Company Outlook

The management of Copper One is focused on the development of its primary assets in the Province of Quebec, namely its flagship project Rivière Dore project and the Queylus project. The Company also announced subsequent to year and quarter end that it had entered into a definitive agreement to acquire the past producing Troilus mine from First Quantum Minerals Ltd.

The Company continues to engage the Barrier Lake Algonquins (“ABL”) to permit re-activation of the Rivière Dore claims which are currently under suspension with the Quebec Ministry of Natural resources. Under the terms of the suspension, Copper One Inc is precluded from conducting any exploration of the Rivière Dore claims. Copper One is not conducting any exploration on the claims while the suspension is in place. Once Copper One is in a position to enter into a Memorandum of Understanding with ABL, it can then request the lifting of the claim suspensions and proceed with exploration activities. Copper One has no information at this time regarding whether or not a MOU can be entered into in 2014. The Company will continue its vigorous attempts to engage the ABL in a manner consistent with its values regarding shareholder value and good corporate governance and social responsibility.

As the Company cannot determine if Rivière Dore will proceed in the near term, it began negotiations with First Quantum Minerals Ltd in 2013 for the acquisition of the Troilus mine, previously operated by Inmet Mining prior to closure in 2010. The Troilus mine is located near Chibougamau in the Province of Quebec, and operated from 1997 to 2010. The Troilus mine produced over 2 million ounces of gold and over 50,000 tonnes of copper from two open pits, namely the J4 pit and the Z87 pit. The J4 pit was only mined to a depth of approximately 100m and the Z87 pit was mined to approximately 300m. The current mineral resource estimate has 1.4 million ounces of gold and 105 million lbs of copper in the Indicated category and 300,000 ounces of gold and 25 million lbs of copper in the inferred category under the Z87 pit only (See table 1 above). The Company is currently reviewing the drill database for the entire Troilus property. Exploration was successful under the J4 pit and elsewhere on the property. However at the time metal prices were substantially depressed with gold at $US 450 per ounce and copper at $US1.10 per pound. As such, much of the exploration was not followed up on. The Company is working to determine available resources outside of the current resource model and also whether targets identified by Inmet justify additional exploration by the Company in the current metal price environment.

Disposition of Discontinued Operations

On August 22, 2013, the Company completed the sale of its wholly-owned subsidiary Copper USA to Cornerstone and received in consideration 2,250,000 common shares of Cornerstone valued at $202,500, plus additional consideration tied to specific properties (see note (i) below). As the additional consideration is contingent in nature, no value has been assigned to these items. The value of the contingent assets, if any, will be recorded in the period in which the value is determined. Cornerstone was a related party by virtue of Mr. Paul Cowley being on the board of both the Company and Cornerstone. 750,000 of the 2,250,000 Cornerstone shares issued are subject to a voluntary twelve-month hold period expiring on August 22, 2014. In connection with the sale of Copper USA, the Company and Cornerstone have exchanged certain representations and warranties and have agreed to indemnify each other against losses in connection with a breach of any representation or warranty up to a maximum of $25,000.

The assets and liabilities related to Copper USA as at March 31, 2014 and 2013 were as follows:

	March 31, 2014 $	March 31, 2013 $
Assets		
Cash and cash equivalents	-	21,163
Prepaid expenses	-	3,656
Reclamation bonds (i)	-	48,750
Exploration and evaluation assets (ii)	-	97,500
Property and equipment	-	319
	-	171,388
Liabilities		
Accounts payabe and accrued liabilities	-	668
	-	668

The following represents the amounts reclassified to net loss from discontinued operations at March 31, 2014 and 2013:

	March 31, 2014 $	March 31, 2013 $
Impact on statement of operations and comprehensive loss:		
Revenues	-	-
Operating expenses	-	(14,701)
Loss before other income (expenses)	-	(14,701)
Interest income	-	-
Write-down of exploration and evaluation assets	-	(4,001,984)
Gain (loss) before tax	-	(4,016,685)
Income tax expense	-	-
Net (loss) from discontinued operations	-	(4,016,685)
Gain (loss) per share from discontinued operations - basic and diluted	-	(0.06)

The Company recorded a cumulative loss on discontinued operations of $4,049,382 as at December 31, 2013.

(i) Additional consideration from Cornerstone, tied to specific properties:

1. within 30 days of completing a Feasibility Study in respect of the Lone Mountain property, Cornerstone will:
    a. issue to the Company 2,000,000 Cornerstone common shares;
    b. pay to the Company $1,000,000 in cash or shares at the Company's option; and
    c. grant to the Company a 0.5% net smelter return royalty capped at $5,000,000, which may be repurchased by Cornerstone for $1,000,000 in cash or shares at the Company's option;

2. within 30 days of completing a Feasibility Study in respect of the Jerome property, Cornerstone will:
    a. issue to the Company 500,000 Cornerstone common shares;
    b. pay to the Company $750,000 in cash or shares at the Company's option; and
    c. grant to the Company a 0.5% net smelter return royalty capped at $4,000,000, which may be repurchased by Cornerstone for $800,000 in cash or shares at the Company's option;

3. within 30 days of completing a Feasibility Study in respect of any of the other properties, Cornerstone will:
   a. issue to the Company 350,000 Cornerstone common shares;
   b. pay to the Company $375,000 in cash or shares at the Company's option; and
   c. grant to the Company a 0.5% net smelter return royalty capped at $3,000,000, which may be repurchased by Cornerstone for $350,000 in cash or shares at the Company's option.

(ii) Exploration and evaluation assets

	Lone Mountain	LT Ranch	Mimbres	Teague Springs	Twin Peaks	West Jerome	West Safford	Total
	$	$	$	$	$	$	$	$
Balance December 31, 2011	3,207,471	400,480	199,340	200,658	478,158	337,549	317,887	5,141,543
Property acquisition	50,000	49,565	-	-	-	-	-	99,565
Surveying and geophysics	60,463	39,563	-	-	7,501	1,303	-	108,830
Crilling	3,147	-	-	-	-	-	-	3,147
Claim and maintenance	16,912	-	12,360	14,359	12,820	19,253	25,367	101,071
Impairment write downs	-	-	(211,700)	(215,017)	(498,479)	(358,105)	(343,254)	(1,626,555)
Balance, December 31, 2012	3,337,993	489,608	-	-	-	-	-	3,827,601
Property acquisition	-	50,415	-	-	-	-	-	50,415
Surveying and geophysics	16,070	-	-	-	-	-	-	16,070
Impairment write downs	(3,256,563)	(540,023)	-	-	-	-	-	(3,796,586)
Balance, March 31, 2013	97,500	-	-	-	-	-	-	97,500
Balance, March 31, 2014	-	-	-	-	-	-	-	-

Summarized Financial Results

Selected Quarterly Financial Information

(Expressed in Canadian dollars $)	31-Mar-14	31-Dec-13	30-Sep-13	30-Jun-13	31-Mar-13	31-Dec-12	30-Sep-12	30-Jun-12
Net income (loss)	(342,893)	(630,197)	(433,320)	(437,695)	(4,389,811)	(2,072,427)	(392,053)	(358,419)
Per share - basic and diluted (from continuing operations)	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)	(0.03)	(0.01)	(0.01)
Total assets	4,009,435	4,464,283	5,049,016	5,431,951	6,064,542	10,772,692	12,261,913	12,446,484
Working capital *	743,741	804,882	1,404,372	1,683,404	2,374,247	2,968,576	4,383,520	5,145,200

** see Non-GAAP measures*

Liquidity and Capital Resources

The Company does not have any operating assets that generate revenues. The Company incurred a net loss from its continuing operations of $342,893 for the three months ended March 31, 2014 (March 31, 2013 – net loss from its continuing operations of $373,126) and incurred a net cash outflow of $521,748 from its operating activities (March 31, 2013 - net cash outflow of $432,310).

The Company has a need for financing for working capital. As a result of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation.

Working Capital

As at March 31, 2014, the Company has net working capital (see Non-GAAP measures) of $743,741 (March 31, 2013 – net working capital of $2,374,247).

There are no off-balance sheet financing arrangements.

Carrying Value of Balance Sheet Items

The Company is carrying investments that include 2,250,000 common shares of Cornerstone recorded at a fair value of $112,500 at March 31, 2014. This investment is classified as held-for-trading.

Total accounts payable as at March 31, 2014 were $254,059 (March 31, 2013 - $473,497).

Cash Flows

Cash Flows for the three months ended March 31, 2014 and 2013

(Expressed in Canadian dollar $)	For the quarter ended March 31, 2014	For the quarter ended March 31, 2013
Net cash (used in) operating activities	$ (521,748)	$ (432,310)
Net cash (used in) investing activities	(14,919)	(613,502)
Decrease in cash and cash equivalents	(536,667)	(1,045,812)

Cash of $521,748 used in operating activities during the three months ended March 31, 2014 was higher than the $432,310 used in operating activities during the three months ended March 31, 2013 primarily due to changes in working capital items. During the three months ended March 31, 2014 working capital items used $164,079 compared to a use of $64,893 during the same period in 2013. See Non-GAAP measures.

Cash of $14,919 was used in investing activities during the three months ended March 31, 2014 compared to $613,502 primarily used in expenditures on exploration and evaluation assets.

Results of Operations

For the quarters ended March 31, 2014 and 2013

	Quarters ended March 31, 2014	Quarters ended March 31, 2013
Operating expenses		
Management and consulting fees	$ 199,916	$ 227,339
Share-based payments	7,724	16,933
Directors' fees	30,000	43,369
Office and rent	41,166	24,000
Investor relations	5,400	41,754
Travel and promotion	60,784	11,329
Accounting and legal	14,774	12,656
Regulatory and transfer agent	6,319	4,801
Amortization	-	8,430
Foreign exchange (gain) loss	(42)	(7,688)
Total operating expenses	366,041	382,923
Loss before other income (expenses)	(366,041)	(382,923)
Other income (expenses)		
Interest income	648	9,797
Unrealized gain on held for trading investments	22,500	-
Loss before discontinued operations	(342,893)	(373,126)
Impairment loss on discontinued operations	-	(4,016,685)
Net loss for the period	(342,893)	(4,389,811)
Net loss and comprehensive loss for the period	$ (342,893)	$(4,389,811)

The Company recorded a comprehensive loss of $342,893 during the three months ended March 31, 2014 compared to a loss of $4,389,811 during the same period of 2013. The comprehensive loss during the three months ended March 31, 2014 resulted primarily from management and consulting fees, office and rent expenses, investor relations and travel and promotions. The comprehensive loss during the three months ended March 31, 2013 resulted primarily from management and consulting fees, investor relations and loss on sale of discontinued operations as discussed in the Disposition of Discontinued Operations section of this report.

Exploration and Evaluation Expenditures

The exploration and evaluation assets of the Company are comprised as follows:

	Rivière Doré	Queylus	Total
	$	$	$
Balance, December 31, 2012	1,244,534	1,582,008	2,826,542
Property acquisition	-	15,630	15,630
Surveying and geophysics	-	82,956	82,956
Consulting	38,750	-	38,750
Travel & accomodation	16,530	-	16,530
Claims & maintenance	-	6,261	6,261
Legal	45,382	2,038	47,420
Sampling	-	11,424	11,424
Drilling	-	240,150	240,150
Balance, December 31, 2013	1,345,196	1,940,467	3,285,663
Claims & maintenance	-	5,600	5,600
Government assistance	(142,304)	(146,643)	(288,947)
Other	9,319	-	9,319
Balance, March 31, 2014	1,212,211	1,799,424	3,011,635

The Company has accrued approximately $289,000 in government assistance receivable related to eligible expenditures in the province of Québec for the years ended December 31, 2011 and December 31, 2012.

Rivière Doré

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. ("Cartier") to acquire 100% of the Rivière Doré Copper Nickel property ("Rivière Doré") located southeast of the town Val D'Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company with an estimated fair value of $550,000 and granted a royalty of 1% of the net smelter return in connection with ore extracted from the property. The Company is also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company has also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the property.

There has been a suspension on the existing claims comprising the Rivière Doré property since 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake ("ACBL") in relation to the property. The suspension term was scheduled to end on July 3, 2013, management received a two year extension from the Ministry of Natural Resources Quebec on this matter extending the suspension term to July 2015. The ACBL reaffirmed through a press release on March 13, 2013, their opposition to the Company's proposed exploration activities related to the Rivière Doré project.

Queylus

On January 23, 2012, the Company entered into an agreement with Lounor Exploration Inc. ("Lounor") to acquire 100% of the Queylus copper gold property, located near the town of Chibougamau, Quebec. Under the terms of the purchase agreement, the Company acquired 100% of the Queylus property by paying $23,750, issuing 475,000 common shares of the Company valued at $61,750 and granting royalties ranging from 1% to 2% of the net smelter return in connection with ore extracted from certain claims comprising the property. In connection with the transactions contemplated under the purchase agreement, the Company entered into an agreement with SOQUEM Inc. (“SOQUEM”) whereby SOQUEM agreed to renounce its right of first refusal over certain claims comprising the Queylus property in consideration for the Company paying $2,500 and issuing to SOQUEM 50,000 shares of the Company valued at $6,500. This transaction closed on August 7, 2012.

On February 8, 2012 the Company signed a purchase agreement with Diagnos Inc. (“Diagnos”) to acquire a 100% interest in certain claims (the “Claims”) contiguous to the Queylus copper gold property. Under the terms of the purchase agreement, the Company has acquired 100% of the Claims by paying $10,000, issuing 175,000 common shares of the Company valued at $52,500 and granting a royalty of 2% of the net smelter return in connection with ores and concentrates extracted from the property underlying the Claims. The purchase agreement provides that the Company has the right to reduce such royalty from 2% to 1% at any time by paying to Diagnos $1,000,000 in cash.

Drilling Results

On February 26, 2013, the Company announced the results for the Fall 2012 diamond drilling program on the Queylus property. The goal of the Fall 2012 drilling program was to test several coincident induced polarization ("IP") and magnetic anomalies that were previously outlined for copper and precious metals. A total of 4,002 metres of diamond drilling from 17 NQ size holes was performed by a local contractor, Forages Chibougamau of Chibougamau, Quebec.

The results show multiple disseminated copper intersections that warrant more detailed exploration. As well, one of the drill holes, QU-12-2, intersected one meter of 2,460 g/t native silver and 1.54% tungsten within a tonalitic breccia. The QU-12-02 drill hole is approximately 200 metres east of hole QU-12-01 and 400 metres west of hole QU-12-13 in a new structure also requiring further exploration.

The best intersections from the 2012 diamond drilling campaign on the Queylus Property are summarized as follows:

Selected Significant Assay Results: QU-12-01 to QU-12-17, Copper Cutoff Grade 0.25%						
TECHNICAL PARAMETERS		**COMPOSITE ASSAY RESULTS WITH INTERVAL VALUE GREATER THAN 0.25% Cu**				
Drill Hole	**Length (m)**		**From (m)**	**To (m)**	**Length (m)**	**Cu (%)**
QU-12-01	249		60.24	70.94	10.70	1.08
QU-12-02	228		68.00	69.00	1.00	1.12
			167.75	169.75	2.00	0.61
			189.75	193.25	3.50	1.17
QU-12-04	201		60.45	63.10	2.65	2.62
			130.00	135.00	5.00	0.42
QU-12-09	216		56.00	60.05	4.05	0.38
QU-12-11	249		32.90	36.45	3.55	0.39
			46.00	50.00	4.00	0.28
			56.40	62.35	5.95	0.26
			74.75	78.40	3.65	0.31
			95.50	100.00	4.50	0.36
			140.25	146.45	6.20	0.57
			148.45	154.51	6.06	0.40
QU-12-12	204		128.00	132.00	4.00	0.27

* For more detailed assay results, please refer to the press release dated February 26, 2013 filed under the Company's profile on SEDAR (www.sedar.com).

** True widths of the reported core intersections are not known, but are estimated to be 70% of these intervals.

In addition to the information gathered about the copper mineralization, the drill program identified a new silver and tungsten intersection at the Queylus property.

Financial Commitments and Contractual Obligations

Summary of contractual obligations at March 31, 2014 is detailed in the table below.

Contractual Obligations	Payments (Receipts) Due by Period				
	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Minimum commitment under management contracts (i)	$ 402,141	$ 402,141	-	-	-
Minimum commitment under Montreal office space lease (ii)	324,000	130,000	194,000	-	-
Minimum commitment under Montreal office sub-lease (iii)	(259,000)	(104,000)	(155,000)	-	-
Total	**$467,141**	**$428,141**	**$39,000**	-	-

(i) The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $1,080,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $402,141 due within one year.

(ii) In June 2012, the Company entered into a 52 month lease agreement for office space rental in Montreal, ending on September 30, 2016. The total commitments remaining under this lease agreement is approximately $324,000 at March 31, 2014.

(iii) In December 2013, the Company signed a sublease agreement with a third party to rent out the Montreal office space, ending on September 30, 2016. Total rent receivable over the term of the sublease is expected to be approximately $259,000.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Transactions with Related Parties

During the three months ended March 31, 2014 and 2013, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Purchases of goods and services Three months ended March 31	
	2014	2013
Forbes & Manhattan, Inc.	$ 75,000	$ 75,000

Mr. Stan Bharti is the Executive Chairman of Forbes & Manhattan, Inc. As the Company is part of the Forbes & Manhattan Group of Companies, it continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from Forbes & Manhattan Board of Advisors.

The Company shares its office space with other companies who may have similar officers or directors. The costs associated with this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc, to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

The following balances were outstanding at the end of the reporting period:

	Amounts owed to related parties Three months ended March 31		Amounts owed by related parties Three months ended March 31	
	2014	2013	2014	2013
Mason Graphite	$ -	$ -	$ 115,965	$ -
Forbes & Manhattan. Inc.		84,750	-	-

Mr. Scott Moore, Executive Chairman of the Board of Directors, President and Chief Executive Officer of the Company, is a director of Mason Graphite.

On May 14, 2014, the Company announced the appointment of Mr. Benoit Gascon to its Board of Director. Mr. Gascon is the President and Chief Executive Office of Mason Graphite Inc.

On November 1, 2013, the Company sold all computer equipment and leasehold improvements at its previous office to unrelated party and Mason Graphite for an aggregate price of $10,000. Accordingly, an impairment of $80,916 was recorded in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2013.

Mr. Paul Cowley is on the board of both the Company and Cornerstone, purchaser of the Company's formerly wholly-owned subsidiary Copper USA (see note 6 of the unaudited condensed interim financial statements).

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during three months ended March 31, 2014 and 2013 were as follows:

	Three months ended March 31	
	2014	2013
Short-term benefits	$ 97,500	$ 483,668
Share-based payments	7,724	16,933

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

Changes in Board of Directors

On May 14, 2014, the Company announced the appointment of Mr, Benoit Gascon to its Board of Director.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, held for trading investments, receivable, and accounts payable and accrued liabilities. 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 carrying values of these financial instruments approximate their fair values due to the short maturity of those instruments. See Note 14 of the Financial Statements.

Outstanding Share Data

As at the date of this report, there were 66,533,854 common shares outstanding, 10,470,000 stock options outstanding with a weighted average exercise price of $0.25 per share.

Non-GAAP Measures

The MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Working Capital

Current assets		March 31, 2014		March 31, 2013
Cash and cash equivalents	$	318,000	$	2,382,338
Marketable securities		112,500		-
Receivables		539,024		425,166
Prepaid expenses and deposits		28,276		40,240
Total current assets		997,800		2,847,744
Current liabilities				
Accounts payable and accrued liabilities	$	254,059	$	473,497
Total liabilities		254,059		473,497
Working capital (current assets less current liabilities)	$	743,741	$	2,374,247

Net cash (used in) operating activities

	Three months ended March 31, 2014	2013
Cash (used in) operating activities before change in working capital items	$ (357,669)	$ (367,417)
Cash provided by (used in) change in working capital items	(164,079)	(64,893)
Net cash (used in) operating activities	$ (521,748)	$ (432,310)

Additional Disclosure for Venture Issuers without Significant Revenue

The Company has expensed the following material cost components:

(Expressed in Canadian dollars $)	March 31, 2014	March 31, 2013
Management and consulting fees	$ 199,916	$ 165,175
Director fees	30,000	43,369
Shared-based payments	7,724	9,447

The transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the parties, and were recorded at the exchange amount.

New Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IAS 32 – Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The adoption of this standard did not result in any changes to the Company’s condensed interim consolidated financial statements.

IAS 36 – Impairments of Assets (“IAS 36”) was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The adoption of this standard did not result in any changes to the Company’s condensed interim consolidated financial statements.

IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”) was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The adoption of this standard did not result in any changes to the Company’s condensed interim consolidated financial statements.

Future Accounting Standards and Interpretations

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Critical Judgments and Estimation Uncertainties

The preparation of the Company's Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and affect estimates for provisions for reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material. See Note 3 of the Financial Statements for detail.

Risks and Uncertainties

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

While the Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The

Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Mineral Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral iron ore. Iron ore prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of iron ore and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of iron ore has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Environmental

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

One of the Company's projects is the Rivière Doré project, which is located southeast of the town Val-d'Or, Quebec. Canadian law related to aboriginal rights, including aboriginal title rights, is in a period of change. There is a risk that future changes to the law may adversely affect the Company's rights to its Canadian projects, including the Rivière Doré project. Consultation with First Nations is required of the Company in environmental assessment, subsequent permitting, development and operation of its proposed projects. There is a risk that the First Nations may publicly oppose the proposed project at any stage and this potential opposition may adversely affect the project or the Company's public image.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projected.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Current Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Subsequent Events

On April 8, 2014, 8815046 Canada Ltd., a wholly-owned subsidiary of the Company, entered into a definitive purchase agreement (the "Purchase Agreement") with FQM (Akubra) Inc. ("FQM (Akubra)"), a wholly-owned subsidiary of First Quantum Minerals Ltd. ("First Quantum"), to acquire a 100% interest in the past producing Troilus Mine located approximately 175 km by road from the town of Chibougamau, Quebec, Canada. The Troilus property consists of certain mineral claims and one surveyed mining lease. The acquisition will include all infrastructures such as roads, power lines, camp buildings, permitted tailings pond, and associated water treatment facilities. In consideration for the Troilus Mine, the Company will grant to FQM (Akubra) a 2.5% net smelter returns royalty and assume all liabilities relating to the project as of January 1, 2014.

On April 28, 2014, 3,750,000 warrants exercisable at $0.60 and 8,571,428 warrants exercisable at $0.50 expired unexercised.

On May 14, 2014, the Company granted a total of 3,965,000 stock options to certain directors, officers and consultants of the Company. The stock options vest immediately, subject to a four-month regulatory hold period, and may be exercised at a price $0.07 per option for a period of five year from the grant date. This grant of options is subject to the approval of the TSX Venture Exchange.

On May 14, 2014, the Company announced the appointment of Mr. Benoit Gascon to its Board of Director. Mr. Gascon is the President and Chief Executive Office of Mason Graphite Inc. and has over 20 years of experience in the graphite and carbon industries.

Additional Information

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.