MANAGEMENT DISCUSSION AND ANALYSIS
For the Three and Six Months Ended October 31, 2013
Report Dated December 30, 2013

The following information, prepared as of December 30, 2013, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Inca One Resources Corp. ("the Company" or "Inca One") for the three and six months ended October 31, 2013 (the "October 2013 Interim Financial Statements").

The October 2013 Interim Financial Statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's audited consolidated financial statements for the year ended April 30, 2013 except as noted in Notes 2 and 3 to the October 2013 Interim Financial Statements.

The October 2013 Interim Financial Statements do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited annual financial statements for the year ended April 30, 2013 and the related MD&A for the year then ended .

All dollar amounts referred to are expressed in Canadian dollars except where indicated otherwise.

General Overview

Inca One was incorporated on November 9, 2005, and is an exploration stage company engaged in the acquisition, exploration and development of mineral properties, as well as developing toll milling operations, in Peru. The Company, through its newly incorporated Peruvian subsidiaries, has recently entered into both an option assignment and a joint venture operating agreement pertaining to a Peruvian mineral property known as the Corizona Project and has acquired the Chala One plant, an existing Peruvian mineral processing plant. During the three months ended October 31, 2013 the Company, due to the absence of sufficient verifiable information to support a recoverable value, wrote down the expenditures incurred with respect to the Las Huaquillas Property located in northern Peru to nil and is currently in the process of terminating the option on this property. The Company also continues to actively evaluate other potential mineral projects and is listed for trading on the TSX Venture Exchange (the "TSX-V") under the symbol "IO" and on the Frankfurt Stock Exchange under the symbol "SU9.F".

Management

In October, 2013 Mr. George Moen was appointed as Chief Operating Officer, and Mr. George S. Young was appointed to the advisory board, of the Company.

Chala One Plant Acquisition

On June 6, 2013, the Company entered into a Letter of Intent to acquire 100% of a permitted and operational milling facility ("Chala One" or "the Plant") in Southern Peru for US$240,000. Of this amount, US$150,000 has been paid and the remaining US$90,000 is expected to be payable within one year, once transfer of the permitted facility is complete. In addition US$40,000 in additional finder fees was paid in connection with the acquisition. Inca One believes the Plant purchase is an excellent strategic acquisition that enables cash flow to be used to further the expansion of its Peruvian operations. It also believes that acquiring an existing gold milling facility will save the Company significant capital, time and resources by eliminating the construction and permitting process, which building a new gold processing plant would entail. Completion of the acquisition of the Plant is subject to a number of conditions including completion of a definitive agreement. Pursuant to the Service Provision Agreement, the Company has paid a total of US$118,000 inclusive of value added tax, to Canadian Mining for the provision of sourcing and technical advice with respect to the acquisition and refurbishment of the Plant and in December, 2013, achieving an ore processing milestone of 250 tons. As at October 31, 2013, additional plant upgrade costs of $153,777 and pre-operating costs of $100,604 have been incurred.

The Company has also agreed to pay to Canadian Mining cash of US$125,000 per plant in stages for sourcing and technical advice leading to the acquisition of each of three additional plants.

Chala One Plant Operations

The Plant refurbishment was completed and its first sale of gold rich carbon was recorded near the end of October, 2013 resulting in pre-operating revenues of $60,069 which were recorded as a credit to the amount reflected as plant and equipment. The Company is in the process of formalizing an agreement to pay Canadian Mining 20% of net profits from all operations of the Chala One plant in exchange for ongoing project management assistance.

The Company reported that during the month of November 2013, the Chala One Plant processed approximately 205 dry metric tons of ore with an average grade of 16.94g/t Au with recoveries of 92.6% for gold production of 111.5 ounces. This technical information was reviewed on behalf of the Company by Thomas Henricksen, P.Geo., as the Qualified Person. Chala One continues to source high-grade ore from artisanal miners in an effort to ramp up to a full 25 TPD capacity and by June 2014, plans to have completed plant upgrades to increase capacity to 50 TPD through the installation of a new ball mill and flotation tanks. It is also in the process of applying for commercial permits to incrementally increase capacity up to 350 TPD. Chala One currently sits on 21 hectares of land, and has ample room for plant expansion.

The Corizona Project – Mineral Property Option

Pursuant to an Assignment of Contractual Position Agreement formalized under Peruvian law on January 25, 2013, and amended on May 28, 2013 and June 5, 2013, between the Company and Canadian Mining S.A. ("Canadian Mining"), a privately held Peruvian company, the Company was granted an exclusive right to acquire 100% of a mining lease and purchase option for a mineral property located in Peru in exchange for a cash payment of US$50,000. The mineral property consists of approximately 259 hectares located in the Lahuaytambo District, Huarochirí province in the Department of Lima, in the area known as Cruz de Laya and La Mina, approximately 85 kilometers from the city of Lima ("the Corizona Project"). Previous work on infrastructure, exploration and engineered mine development has been performed on the Corizona Project and the property is accessible by road with an office, running water and electricity found on site.

The following technical information with respect to the Corizona Project has been reviewed on behalf of the Company by John Buckle, P.Geo., as the Qualified Person.

The Corizona Project contains a large hydrothermal system with gold hosted in a hematite-chlorite-quartz structurally controlled en echelon veins. The veins intruded with rhyo-dacitic dykes in parallel fractures along andesite-dacite tuff volcaniclastic bedding planes. The high grades of gold are associated with quartz-iron oxide and argillic-kaolinitic alteration.

There are eight known veins on the Corizona Project, two of which (Veins B and C) have been partially previously mined with over 200 meters of tunneling and underground workings. Previous work and sampling from these veins have reported consistent grades of more than 10g/t gold over vein widths of 0.5 to 1.5 meters.

In 2010, Mr. Elard Zegarra, a Peruvian engineer, wrote a report on the Corizona Project and although it was not written to NI 43-101 specifications, the study is consistent with previous mining engineering practices. This study produced an accurate survey of the main existing mine workings on Veins B and C. From the historic sampling (non 43-101 compliant) grades averaged 7.57 g/t gold for Vein B over a width of 0.7 meters, from samples taken every 2 meters along the 80 meter length of the previous mine workings and 11.49 g/t gold for Vein C over similar width. Several samples from this previous work reported over 100 g/t gold over 0.2 meters.

Known veins confirm evidence for up to 200 meters vertical above the level of the main adit while remaining open at depth with 1,200 meters strike on 5 separate veins. It should be noted that the potential quantity and grade above the main adit remains conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in Veins B and C on the Corizona Project being delineated as a mineral resource.

Pursuant to the underlying Mining Lease with Purchase Option Agreement dated January 24, 2013, between Canadian Mining and the Peruvian owner of the mineral property, Sociedad Minera Corizona Limited Liability Lima (“SMRL”), Canadian Mining is entitled to conduct mining activity on, and holds an option to purchase, the Corizona Project until February 27, 2015.

In order to earn its interest in the mineral property option the Company will be required to pay SMRL cash of US$730,000 at the date of signing the transfer of the concession, US$730,000 at the date such transfer is registered in the Lima, Peru Mining Registry office and is also required to pay US$490,000 to Canadian Mining within five days of the date that the option is legally acquired by the Company.

The Corizona Project – Joint Operation

As agreed to in January 2013 but not formalized legally until June 5, 2013, the Company committed to a three year renewable Joint Venture Agreement with Canadian Mining for purposes of further exploration, evaluation, development and operation of the Corizona Project. Pursuant to the terms of this agreement the joint venture will be operated by Canadian Mining and the Company will contribute all of the initial funding in exchange for an 80% share of the Corizona Project’s net profits.

On April 28, 2013, Canadian Mining held a Community Assembly and successfully obtained the consent for the use of the surface land for a five-year term from the Community of Llambilla. The Company is pleased with the agreement, as it is integral to the process of obtaining commercial mining permits. Rural communities in Peru are organizations recognized by Peruvian law, comprising of families living on and owning certain territories, linked by ancestral, social, economic and cultural bonds. The Community of Llambilla is the legal owner of the surface land where the Corizona Project is located. Therefore it was extremely important that this authorization was obtained and supported by the local community.

Following the completion of a formalization process, it is envisioned that the joint operation will be able to explore and produce up to 350 tons of material per day while working towards formal operating permits and authorizations.

Effective March 27, 2013 the Company entered into a Service Provision Agreement with Canadian Mining ("Service Provision Agreement") pursuant to which the Company has since paid cash of US$25,000 upon the contracting of a toll mill for purposes of processing ore from the Corizona Project.

On April 30, 2013, the Company announced that it and Canadian Mining had commenced preparations for initial bulk sampling from the Los Angeles Vein (formally Vein B). To date blasting, widening and timbering of Level 0 of the Los Angeles Vein has been completed as well as preparing the shaft between Level 0 and Level 2 for access to the vein on Level 2 for bulk sampling. Level 2 of the Los Angeles Vein runs both East and West. Currently a bulk sampling program is underway which includes underground development of Level 3 and extraction of the Los Angeles Vein from Level 2. On November 9, 2013 a first shipment, comprised of 30 tons of ore, was made from the Corizona Project to the Chala One plant.

On May 7, 2013, the Company and Canadian Mining also secured a toll milling agreement with a Peruvian ore processor Grupo Dore to process bulk sample material produced from the Corizona Project.

As at October 31, 2013 Inca One has incurred acquisition costs of $92,299 and development costs of $150,823 with respect to the Corizona One Project.

The Las Huaquillas Property

The Las Huaquillas Property is located in the Department of Cajamarca in northern Peru. It is easily accessible by road and is situated at a relatively low elevation of between 1,000 to 1,800 meters.

On March 25, 2011 and later amended on January 18, 2012, the Company entered into a definitive letter agreement (the "Agreement") with Rial Minera SAC ("Rial") and its shareholders (collectively the "Optionors") pursuant to which the Company was granted an option to acquire all of the issued and outstanding shares of Rial (the "Rial Shares"). Rial is a private Peruvian company that owns a 100% interest in the Las Huaquillas gold-copper project (the "Las Huaquillas Project"). Pursuant to the Agreement, the Company could acquire 100% of the Rial Shares, by paying an aggregate of US$5,000,000 to the Optionors; issuing 8,000,000 common shares of the Company; and incurring exploration expenditures of US$10,000,000 over a period of four years: As at October 31, 2013, the Company has paid US$375,000 and issued 325,000 shares for acquisition costs payable pursuant to the terms of the Agreement. As further consideration for the acquisition, the Company entered into a finder fees agreement dated July 31, 2011 and later amended by a letter agreement dated January 19, 2012, to pay finder fees of US$282,500 and to issue 400,000 common shares of the Company over a period of four years. As at October 31, 2013, the Company had issued 16,250 shares and paid US$35,625 in cash pursuant to the terms of this finder fees agreement. During the year ended April 30, 2013, Minera has staked an additional 16,700 hectares of land surrounding the Las Huaquillas Property, increasing the total continuous claim holdings in the area to approximately 20,300 hectares.

After entering into the two agreements the Company has expended considerable time and expense to obtain the requisite drilling permits for the Las Huaquillas Project and in June 2013, these drill permits were received. Since that time the Company has been conducting a search for a joint venture partner and has also been working towards formalization of an amended agreement with the Optionors, but has been unable to achieve either goal As a result Management is currently in the process of terminating the option. Further for financial reporting purposes, due to the absence of sufficient verifiable information to support a recoverable value of the Las Huaquillas Property and drilling permits thereon, this value has been deemed to be zero. Accordingly a write-down of exploration and evaluation assets held by the Company of $2,452,330 has been recorded during the three months ended October 31, 2013.

Future Outlook:

The Company is moving forward with its business plan to further explore and develop Peruvian mineral properties and believes both the Corizona Project bulk sampling program and the Chala One plant operations will provide the necessary cash flow to achieve this objective.

While it intends to raise additional funds through the continuing issue of convertible debentures and common shares via private placements, in order to execute its business plan the Company expects that future financings will also likely be required, although the ability to complete such on terms acceptable to the Company is uncertain, in particular in view of recent stock market volatility. Management is currently targeting sources of additional financing and will continue to assess and address the implications of recent events in order to ensure that the Company can continue to achieve its long term objectives.

Summary of Quarterly Information

The following table sets out selected quarterly financial results:

Quarter ended	Working capital (deficiency)	Deferred exploration / development expenditures	Total assets	Net loss	Basic loss per share
	$	$	$	$	$
October 31, 2013	(114,144)	100,990	1,329,135	(2,727,506)	(0.01)
July 31, 2013	(160,863)	109,185	3,189,915	(345,916)	(0.01)
April 30, 2013	597,060	153,836	3,396,270	(219,812)	(0.01)
January 31, 2013	329,422	238,260	2,662,312	(211,476)	(0.01)
October 31, 2012	760,780	252,884	2,886,957	(272,236)	(0.01)
July 31, 2012	97,723	352,926	1,948,575	(179,463)	(0.00)
April 30, 2012	616,545	389,918	2,128,195	(330,455)	(0.01)
January 31, 2012	1,198,995	319,391	2,268,591	(216,339)	(0.01)

During the three months ended October 31, 2013 the Company wrote down $2,452,330 of expenditures incurred with respect to its interest in the Las Huaquillas property to nil thus decreasing total assets and increasing net loss reported for this period. Other than this write-down the Company's quarterly net losses remained consistent through the quarters except for the quarters ended April 30, 2012, October 31 2012 and July 31, 2013 when share-based payments were recorded. Additionally other than the write-down recorded in the most recent three month period, total assets have increased and working capital has trended downward as funds were expended on exploration, the Corizona Project and the acquisition of the Chala One plant in recent quarters, offset by private placement financings in the quarters ended October 31, 2012, April 30, 2013 and October 31, 2013.

Results of Operations

Three months ended October 31, 2013 compared with the three months ended October 31, 2012

During the three months ended October 31, 2013, the Company reported a net loss of $2,727,506, including the write-down of Las Huaquillas, comparable to a net loss of $272,236 recorded during the three months ended October 31, 2012.

Office, rent and administration decreased by $15,219, due to a move to new premises and a change in the recording of accounting support costs which were formerly charged under the office sharing arrangement but are now included in professional fees. Professional fees increased by $57,112 compared to fiscal 2013 as a result of the above noted change in the recording of accounting support costs as well as accounting and legal services incurred to support the operations of the three new Peruvian subsidiaries and finalize the recent significant number of Peruvian legal agreements.

During the three months ended October 31, 2013, the Company recorded share-based compensation of $16,461 compared to $98,400 during the three months ended October 31, 2012. 200,000 stock options were granted during the three months ended October 31, 2013 while 1,025,000 options were granted during the three months ended October 31, 2012.

Transfer agent and shareholder information expense increased in the current quarter by $67,062 compared to fiscal 2013, primarily due to the increased use of financing expertise in both Canada and Europe, including a one year investor relations agreement entered into on October 5, 2012. Travel, advertising and promotion expenses decreased in the current quarter by $24,791 due to a decrease in business related travel.

Six months ended October 31, 2013 compared with the six months ended October 31, 2012

During the six months ended October 31, 2013, the Company reported a net loss of $3,073,422 compared to a net loss of $451,699 during the six months ended October 31, 2012, representing an increase in loss, other than the write-down of Las Huaquillas, of $169,393.

Consulting and management fees in the current period decreased by $39,542 compared to fiscal 2013, with fewer consultants utilized. Office, rent and administration decreased by $38,623, due to a move to new premises and a change in the recording of accounting support costs which were formerly charged under the office sharing arrangement but are now included in professional fees. Professional fees increased by $103,385 compared to fiscal 2013 as a result of the above noted change in the recording of accounting support costs as well as accounting and legal services incurred in order to incorporate three new Peruvian subsidiaries and finalize the recent significant number of Peruvian legal agreements.

Transfer agent and shareholder information expense increased in the current period by $153,239 compared to fiscal 2013, primarily due to the increased use of financing expertise in both Canada and Europe, including a one year investor relations agreement entered into on October 5, 2012.

Liquidity and Capital Resources

To date the Company has financed its operations and met its capital requirements primarily through the issuance of capital stock by way of private placements, the exercise of share purchase warrants previously issued and more recently, from the issue of promissory notes and convertible debentures. As at October 31, 2013, the Company had cash and cash equivalents of $234,844 representing a decrease of $449,880 compared with cash and cash equivalents of $684,724 at April 30, 2013.

During the six months ended October 31, 2013 the Company continued to advance funds to the Corizona Project for purposes of a bulk sampling program and continued the process of acquiring and refurbishing the Chala One gold milling facility which started producing in November 2013. It is intended that a reliable revenue stream will soon be generated from these two operations.

The Company reported working capital deficiency of $114,144 at October 31, 2013 as compared to working capital of $597,060 as at April 30, 2013, representing a decrease in working capital of $482,916 resulting from the final costs of acquiring the Las Huaquillas Property DIA, the acquisition and development costs on the Corizona Project, the investment in the Chala One plant and general and administrative expenditures.

During the six months ended October 31, 2013, two directors of the Company advanced to the Company a total of $150,000, which are unsecured and payable on demand with an interest rate of 20% per annum calculated and paid quarterly in arrears.

On October 22, 2013, the Company closed the first $270,000 tranche of up to $600,000 in gross proceeds from a non-brokered private placement of secured, redeemable promissory notes.
On October 30, 2013, the Company completed a secured convertible debenture offering for gross proceeds of $275,000. The proceeds of the convertible debenture offering will be used for the exploration and development of the Company's properties in Peru.

On November 7, 2013, the Company announced that it has settled on terms to undertake a private placement with Global Resources Investments Ltd ("GRIL") to raise $1,200,000 through the sale of 10,000,000 common shares at $0.12 per share. In consideration for acquiring the Company's shares, it is intended that GRIL will issue and deliver to the Company 716,589 ordinary shares of Global Resources Investment Trust PLC ("GRIT), an investment trust which has applied to trade its shares on the London Stock Exchange. A finder's fee in the form of common shares will be payable in connection with the private placement. Closing of the transaction is subject to a number of conditions precedent, including approval of the TSX-V, and GRIT successfully listing on the London Stock Exchange.

In December, 2013 the Company completed a private placement of 5,115,500 shares at $0.10 per share for gross proceeds of $511,550. The shares were acquired by directors and officers of the Company who sold an equivalent number of shares in the market at a price of $0.10.

Management also intends to finance operating costs over the next year with funds raised from private placements and its joint venture share of net profits from its Corizona Project and Chala One Plant interests but there is no certainty that these funds will be received. Other than the convertible debentures and the promissory notes payable, the Company has no long-term debt and is not subject to any capital requirements imposed by a regulator.

Capital Expenditures

During the six months ended October 31, 2013, the Company incurred costs of $150,823 (2012 – $nil) with respect to its Corizona Project, $59,352 (2012 – $605,810) for Las Huaquillas exploration and evaluation expenditures, and $502,163 (2012 – $3,205) in plant and equipment expenditures, primarily for the purchase and refurbishment of the Chala One plant.

Financings

During the six months ended October 31, 2013, two directors of the Company advanced to the Company a total of $150,000, which are unsecured and payable on demand with an interest rate of 20% per annum calculated and paid quarterly in arrears.

On October 22, 2013, the Company closed the first $270,000 tranche of up to $600,000 in gross proceeds from a non-brokered private placement of secured, redeemable promissory notes. Of this amount $150,000 was issued to a director and officer and to a company controlled by a director. The first tranche of promissory notes mature on October 22, 2015 and bear interest at 20% per annum calculated and paid quarterly in arrears. Subscribers are entitled to redeem their investment principal plus accrued interest on or after April 22, 2014 by providing 30 days written notice in advance of three month promissory note rollover periods. The notes are secured by a security interest in all of the Company's present and after acquired property pursuant to an underlying Security Agreement but are subordinate to any security held by holders of the Convertible Debentures. A cash finder fee of $2,500 and legal and regulatory costs of $2,540 incurred in connection with the financing were charged against the promissory notes amount payable.

On October 30, 2013, the Company completed a secured convertible debenture offering for gross proceeds of $275,000. Of this amount $75,000 was issued to two directors and officers or to individuals to who they were related. The debentures mature on October 30, 2018 although are redeemable at the Company's option after October 30, 2016. The debentures are secured by a security interest in all of the Company's present and after acquired property pursuant to an underlying Security Agreement and hold preference to any security held by holders of the promissory notes. Until October 30, 2014 each debenture holder has the option to convert up to 20% of the debenture principal and all of the interest payable into common shares by providing 30 days written notice in advance of three month debenture rollover periods. The conversion of debenture principal will be based on a share price of $0.10 and the conversion of any interest payable will be based on the greater of $0.10 per share or the closing share price on the date the Company receives notice from the Holder. Professional fees of $11,705 have been incurred in connection with the debenture offering. The proceeds of the convertible debenture offering will be used for the exploration and development of the Company's properties in Peru.

In December, 2013 the Company completed a private placement of 5,115,500 shares at $0.10 per share for gross proceeds of $511,550. The shares were acquired by directors and officers of the Company who sold an equivalent number of shares in the market at a price of $0.10. The Company has agreed to reimburse the subscribers for the cost of the sale of their shares in the market.

Summary of Outstanding Share Data

As at the date of this MD&A, the Company had 48,614,674 common shares issued and the following options and warrants outstanding:

(a) Stock Options:

Options	Exercise Price	Expiry Date	Vesting Provisions
#	$		#
311,000	0.135	February 18, 2015	Vested
360,000	0.125	April 7, 2015	Vested
150,000	0.250	February 9, 2017	Vested
250,000	0.150	October 5, 2017	Vested
675,000	0.150	October 30, 2017	Vested
950,000	0.150	May 30, 2018	Vested
200,000	0.150	October 31, 2018	Vested
124,000	0.220	September 23, 2020	Vested
208,000	0.500	May 13, 2021	Vested
670,000	0.430	July 11, 2021	Vested
3,898,000	0.219		

(b) Warrants:

Number of Warrants	Exercise Price	Expiry Date
10,125,800	0.200	April 5, 2016

Transactions with Related Parties

(a) Related Party Transactions

The Company's related parties consist of the Company's directors, officers, former officer and companies associated with these individuals including the following:

- EKelly Investments Ltd., a company owned by Edward Kelly, the Company's President
- Rapid Time Networks Inc., a company owned by George Moen, the Company's Chief Operating Officer
- Malaspina Consultants Inc., a company owned by Robert McMorran, a director, and in which Sharon Muzzin, the Company's CFO, is an associate
- McCullough O'Connor Irwin LLP, a company in which James Harris, the Company's Corporate Secretary, is an associate
- James L. Harris Law Corporation, a company owned by James Harris, the Company's Corporate Secretary
- Remstar Resources Ltd. and Ultra Lithium Inc., companies in which Nilda Rivera, the Company's former CFO, is the CFO

The following expenditures were charged by related parties for the three and six months ended October 31, 2013 and 2012:

	Three months ended October 31, 2013	2012	Six months ended October 31, 2013	2012
	$	$	$	$
Accounting fees (1)	30,683	-	59,379	-
Consulting and management fees (2)	34,000	24,000	58,000	48,000
Finance costs (3)	8,583	-	8,583	-
Legal fees (4)	19,958	900	28,845	2,900
Office, rent and administration (5)	-	33,350	-	65,950
	93,224	58,250	154,807	116,850

(1) Fees include amounts paid for both accounting and CFO services paid to Malaspina Consultants Inc.
(2) The amount includes consulting and management fees paid to EKelly Investments Ltd. and Rapid Time Networks Inc.
(3) The amount includes interest paid on promissory notes and convertible debentures.
(4) The amount includes legal fees paid to McCullough O'Connor Irwin LLP and James L. Harris Law Corporation.
(5) The amount includes office, rent and administration fees paid to Remstar Resources Ltd. and Ultra Lithium Inc. Of these fees, $nil and $nil were allocated to Nilda Rivera's services for the three months and six months ended October 31, 2013 (2012 – $7,500 and $15,000).

(b) Compensation of Key Management Personnel

The Company's key management personnel has authority and responsibility for planning, directing and controlling the activities of the Company and includes the Directors, President, Chief Financial Officer, and Chief Operating Officer. Compensation in respect of services provided by key management consists of consulting and management fees paid to the President and the COO, accounting and administration fees paid to companies in which the CFO is, or former CFO was, an associate and by the issue of options.

	Three months ended October 31, 2013	2012	Six months ended October 31, 2013	2012
	$	$	$	$
Management, accounting and CFO administration fees	64,683	31,500	117,379	63,000
Share-based payments	-	90,338	32,367	130,157
	64,683	121,838	149,746	193,157

There was no other compensation paid or payable to key management for employee services.

(c) Related Party Balances

All related party balances payable are non-interest bearing and payable on demand and are comprised of $18,545 and $1,203 (April 30, 2013 – $10,080 and $nil) payable to Ed Kelly or individuals related to him for travel expenses and interest expense respectively, $26,546 (April 30, 2013 – $8,836) payable to EKelly Investments Ltd. for management fees, $11,120 (April 30, 2013 – $nil) payable to Rapid Time Networks Inc. for consulting fees, $6,914 payable to George Moen or individuals related to him for interest expense and $51,756 and $466 (April 30, 2013 – $7,371 and $nil) payable to Malaspina Consultants Inc. for accounting fees and interest expense respectively.

Commitments

In addition to the commitments outlined previously in this document the Company has a consulting agreement with a company controlled by the President of the Company whereby it has committed to pay a fixed monthly management fee of $8,000. Additional fees may be payable if certain conditions exist upon eventual termination of the contract.

Financial Instruments

As at October 31, 2013, the Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, promissory notes payable and convertible debentures. The carrying values of cash and cash equivalents, receivables, accounts payable and accrued liabilities, and promissory notes payable approximate their fair values because of their short term nature and/or the existence of market related interest rates on the instruments. The convertible debenture is designated as other financial liabilities, which is measured at amortized cost, using the effective interest rate.

Cash and cash equivalents are held as cash deposits or investments in guaranteed investment certificates ("GICS") at banks within Canada. The GICs when held are immediately redeemable and their fixed terms do not exceed one year. The Company also holds cash at respected Peruvian banks. The Company does not invest in asset-backed commercial paper and does not expect any credit losses.

A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company holds cash in Canadian, United States and Peruvian currencies as required by forecasted expenditures. The Company's main risk is associated with the fluctuations in the US dollar and the Peruvian New Sol ("Sol"). The Company has determined that an effect of a 10% increase or decrease in the US dollar and Sol against the Canadian dollar as at October 31, 2013 would result in an insignificant change to the comprehensive loss for the three and six months ended October 31, 2013. At October 31, 2013, the Company had no hedging agreements in place with respect to foreign exchange rates.

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as best as possible, that it will have sufficient cash to meet its liabilities when due, under both normal and stressed conditions.

Management believes that as at October 31, 2013 the Company is not exposed to significant credit or interest risks arising from these financial instruments.

Subsequent Events

(a) Private Placement with Global Resources Investments Ltd.

On November 7, 2013, the Company announced that it has settled on terms to undertake a private placement with Global Resources Investments Ltd ("GRIL") to raise $1,200,000 through the sale of 10,000,000 common shares at $0.12 per share. In consideration for acquiring the Company's shares, it is intended that GRIL will issue and deliver to the Company 716,589 ordinary shares of Global Resources Investment Trust PLC ("GRIT), an investment trust which has applied to trade its shares on the London Stock Exchange. A finder's fee in the form of common shares will be payable in connection with the private placement. Closing of the transaction is subject to a number of conditions precedent, including approval of the TSX-V, and GRIT successfully listing on the London Stock Exchange.

(b) Non-Brokered Private Placements

In December, 2013 the Company completed a private placement of 5,115,500 shares at $0.10 per share for gross proceeds of $511,550. The shares were acquired by directors and officers of the Company who sold an equivalent number of shares in the market at a price of $0.10. The Company has agreed to reimburse the subscribers for the cost of the sale of their shares in the market.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make certain critical accounting estimates and to exercise judgment in applying the Company's accounting policies. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The areas involving a higher degree of judgment or complexity where assumptions and estimates are significant to the financial statements include the going concern assumption, the economic recoverability and probability of future economic benefits of mineral property interests, commencement of commercial production, the functional currency, the valuation of convertible debentures and share-based compensation.

Risks and Uncertainties

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include: the Company may not be able to find and develop resources economically, the Company cannot guarantee title to its properties, the Company may have difficulty in marketing production and services, the Company must manage changing governmental laws and regulations, the Company may have difficulty in hiring and retaining skilled employees and contractors, environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards, mechanical failures, the unavailability of materials and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor or inadequate ventilation, failure of mine communication systems, poor water condition, interruptions to gas and electricity supplies, human error and adverse weather conditions, there is no assurance that the Company will acquire additional mineral properties and any acquisitions may expose the Company to new risks, and the mining industry is intensely competitive for the acquisition of new properties, access to capital and hiring of skilled personnel. The Company continuously monitors and responds to changes in these factors and seeks to adhere to all regulations governing its operations.

Financial risks include commodity prices, interest rates and fluctuating foreign exchange rates, all of which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

Regulatory risks include the possible delays in getting regulatory approval to, and permits for, the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, 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, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include but are not limited to: risks related to the exploration and potential development of the Company's projects, risks related to international operations, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of minerals, as well as those factors discussed in the sections relating to risk factors of the Company set out in this MD&A.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after their date of issue or to revise them to reflect the occurrence of future unanticipated events.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and this accompanying MD&A for the six months ended October 31, 2013 (together the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Additional Disclosures for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in any of its last two financial periods, the following is a breakdown of the material costs incurred during the three and six months ended October 31, 2013 and 2012:

	Three months ended October 31,		Six months ended October 31,	
	2013	2012	2013	2012
	$	$	$	$
Deferred exploration expenditures	100,990	252,884	210,175	605,810
Administrative expense	257,899	256,668	598,529	440,449

The capital expenditures incurred to acquire and refurbish the Chala One plant and further develop the Corizona Project have also been identified previously in this document. Administrative expenses are provided by category of major expense items in the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss included in the October 2013 Interim Financial Statements. Additional disclosures pertaining to the Company's news releases and other information are available on the SEDAR website at www.sedar.com.