Management's Discussion and Analysis

For the three months ended March 31, 2014 and 2013

ORACLE
MINING CORP.

May 13, 2014

Contents

This management's discussion and analysis of financial conditions and results of operations (the "MD&A"), has been prepared by management and provides a review of the activities, results of operations and financial condition of Oracle Mining Corp. and its subsidiaries. In this MD&A, the terms the "Company", "Oracle Mining", "we", our, and "us" refer to the consolidated operations of Oracle Mining Corp. and our subsidiaries unless otherwise specifically noted or the context requires otherwise.

The information in this MD&A is as of May 13, 2014 and complements and supplements the Company's unaudited condensed consolidated interim financial statements and associated notes for the three months ended March 31, 2014 and 2013 (the "consolidated financial statements"). All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") and reported in United States dollars, unless otherwise noted. See note 12 of our consolidated financial statements for information about the effect of changes in foreign exchange rates.

Additional information about the Company, including the Company's annual information form dated March 31, 2014, is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.oracleminingcorp.com.

Forward Looking Information

Information and statements contained in this MD&A that are not historical facts are "forward-looking information" within the meaning of Canadian securities legislation that involve risks and uncertainties. Forward-looking information included herein is made as of the date of this MD&A and Oracle Mining does not intend, and does not assume any obligation, to update forward-looking information unless required by applicable securities laws. Forward-looking information relates to future events or future performance and reflect management of the Company's expectations or beliefs regarding future events.

In certain cases, forward-looking information can be identified by the use of words 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" or the negative of these terms or comparable terminology. Examples of forward-looking information in this document include, but are not limited to, statements with respect to: the updated mineral resource estimate for the Oracle Ridge project; our plans and expectations for the Oracle Ridge project; the timing or completion of any work on the Oracle Ridge project, including the timing, plans and budget of our proposed 2014 infill and expansion drilling program; our belief that we have created a growth-orientated metals corporation; the potential for us to implement our growth strategy goals; the potential to use the lands adjacent to the project as a future tailings facility; our expectations regarding the use of our historical database and the 2013 drilling data; confirmation regarding the accuracy of the historical database; our ability to incorporate Project Development Studies (defined below) into a future feasibility study, if any; our plans for advancing permitting and regulatory requirements related to any such plans; our Outlook in section 4 of this MD&A, including our ability to complete the specific objectives set forth therein and to obtain the financing necessary to complete such objectives; the potential for us to enter into a loan agreement with Credit Suisse AG on the terms contemplated or at all; our need to obtain funding, including anticipated *timing of the proposed instalments under the Loan Facility (defined below) with Rich Stone (defined below) and potential agreements with synergistic third parties. This forward-looking information is based, in part, on assumptions and factors that may change or prove to be incorrect, thus causing actual results, performance or achievements to be materially different from those expressed or implied by forward-looking information. Such factors and assumptions include, but are not limited to: our assumptions regarding copper, base metal and precious metal prices; accuracy of the updated Mineral Resource Estimate and Mineral Resource modelling; accuracy of cut-off grade and assumptions underlying thereto, including projected copper prices and estimates of total operating costs; dilution allowance assumptions; the success of drill programs; reliability of drilling, sampling and assay data; representativeness of mineralization, accuracy of metallurgical testwork and preliminary process design work; and our ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain timely receipt of regulatory approvals; our ability to successfully raise capital and the successful outcome of our litigation described in section 6 of this MD&A.*

By its very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, but are not limited to: risks related to the uncertainty of our exploration and development efforts; risks relating to estimates of Mineral Resources and cut-off grade and factors underlying, proving to be inaccurate; risk that we are unable to enforce our legal rights under existing agreements, permits or licences or are subject to litigation or arbitration that has an adverse outcome; risk there are changes in project parameters as plans continue to be refined; risks related to the uncertainty of timing of events; fluctuation in copper, base metal and precious metal prices; risk that we cannot obtain or maintain necessary permits or approvals from governmental authorities; we are affected by environmental, safety and regulatory risks, including increased regulatory burdens or delays, accidents, labour disputes and other risks inherent in the mining industry; delays in obtaining governmental approvals or financing or in the completion of Project Development Studies, as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A and discussed in the Company's annual information form dated March 31, 2014, for the year ended December 31, 2013, filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated by such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

1. COMPANY OVERVIEW

Oracle Mining is an exploration and development stage company existing under the *Canada Business Corporations Act*. We are a reporting issuer in British Columbia, Alberta, Ontario and Quebec, and since January 13, 2012 our common shares have been listed on the Toronto Stock Exchange under the trading symbol "OMN". Prior to commencing trading on the Toronto Stock Exchange, our common shares were listed on the TSX Venture Exchange. The Company is involved in the acquisition, exploration, development and advancement of mineral resource projects.

Our primary focus is to return our principal property, the Oracle Ridge copper project ("Oracle Ridge" or the "Project"), located northeast of Tucson, Arizona, U.S.A., back into production. Before we acquired Oracle Ridge, it was a producing underground copper mine from 1991 through 1996, with approximately 17 kilometres of workings. References herein to the "Oracle

Ridge Mine" or the "Mine" are historical references to the former producing copper mine.

We also own a 640 hectare mining concession at the Barry-Souart property northeast of Val d'Or in the Province of Quebec, which we optioned to a third party in June 2012.

During the three months ended March 31, 2014, the Company incurred a net loss of $2.2 million and had cash outflows from operations of $2.4 million. As at March 31, 2014, the Company had a working capital deficiency of $6.9 million and an accumulated deficit of $89.2 million.

2. ORACLE RIDGE PROJECT ACTIVITIES

We believe that our acquisition of Oracle Ridge has created a growth-oriented metals corporation and our goal to return Oracle Ridge into production is an important step in our growth strategy to expand our Company.

The 100% owned Oracle Ridge Project is located in the Santa Catalina Mountains northeast of Tucson, Arizona, and is the site of the previously operated Oracle Ridge Mine. The Project is comprised of 57 patented mining claims in 13 parcels, covering approximately 900 acres, in the Old Hat Mining District at Marble Peak (the "Mineral Rights"). The Mineral Rights are held by our indirect, wholly-owned subsidiary, Oracle Ridge Mining, LLC. Ownership of the Mineral Rights will revert to the previous owner in the year 2025; provided however, the Company has an option to extend its interest in the Mineral Rights to 2040 upon payment of additional consideration. We acquired surface rights in connection with the Mineral Rights pursuant to the terms of a surface lease. In addition, the Company has acquired 353 acres of existing tailings and adjacent property that it may use as a future tailings facility.

The surface rights for the area necessary for mining access, processing facilities and offices are secured by an industrial property lease dated February 18, 2010 between Oracle Ridge Mining, LLC and Marble Mountain Ventures LLC, as amended from time to time (the "Lease"), which Lease includes the Daily 5, Sphinx, Oversight, Golden Peak, Copper Peak, York, Apache Central and Copper Princess patented mining claims. Under the Lease, Oracle Ridge Mining, LLC leases from Marble Mountain Ventures LLC the surface rights to Oracle Ridge for the purpose of carrying out exploration, development and advancement of the Oracle Ridge Project. The Lease had an initial term of three years beginning February 2010 and is renewable at the option of the Company for nine additional extensions of three years each. The second lease term began February 2013 wherein the Company paid lease payments of $150,000 in 2013 and $152,250 in 2014. Future payments required to renew the Lease are $150,000 per annum plus inflation adjustments.

The Project area is a roof pendent of predominantly Paleozoic carbonate sedimentary rocks surrounded by the Leatherman Granodiorite intrusive. The emplacement of the intrusive resulted in alteration of the carbonate rocks to skarn and introduction of sulphide copper mineralization. Skarn mineralization at the Oracle Ridge Project consists of copper and magnetite along with bi-product gold and silver mineralization. Copper grades in excess of 15% have been reported. Magnetite when present can be as high as 60%, however, historically no attempt to recover the iron has been documented. Gold and silver have historically been recovered in the copper concentrate. The Project hosts at least twelve known zones containing multiple beds of primary copper skarn mineralization. During previous operations, gold and silver were produced from the Mine as by-products.

Underground Drilling

During the first quarter of 2014, the Company initiated an underground drill program at Oracle Ridge. Below is a summary of Project drilling to May 5, 2014:

Period	Footage (ft)	Number of Holes
Through May 5, 2014	2,011	4
Total drilling to date	73,460	132

Oracle Mining has received the initial assay results from its 2014 Drill Program at the Oracle Ridge Project. The four core holes reported below were all drilled from underground Drill Station 3 with the purpose of extending high grade copper mineralization beyond the drilling that defines our current Mineral Resource Estimate. Until further drilling is completed and a geologic model constructed, all intervals reported are apparent thicknesses. Intervals labelled "includes" are higher-grade portions of the previous listed interval. All units are imperial unless otherwise noted. Copper equivalency (CuEQ) has been estimated using metal pricing of $2.80 per pound of copper, $20 per ounce of silver and $1,300 per ounce of gold. Metallurgical recovery were derived from preliminary lock cycle test results and assumed to be 81% for gold and silver. The formula used is as follows: CuEQ = Cu% + {(Ag oz/ton * $20 * 0.81) + (Au oz/ton * $1,300 * 0.81)} / $2.80 / 2,000 * 100. Highlights include:

- OUH-58 intersected two copper-bearing skarn beds of the Martin Formation in Zone 8, (B8 48 and B8 51) and copper-bearing endoskarn. OUH-58 discovered B8 48 as a newly recognized copper-bearing skarn bed within the Martin Formation.
- OUH-59 intersected an apparent thickness of 19.5 feet grading 2.17 % CuEQ of Abrigo Formation (B8 51) 100 feet along strike north of the intersection in OUH-58. The hole also intersected lower-grade copper-bearing endoskarn north of the OUH-58 intersection.
- OUH-60 was drilled to extend Zone 8 mineralization south of OUH-58. The hole intersected an apparent thickness of 23.5 feet of 2.35% CuEQ enhanced by notably higher silver content of 1.01 ounces silver per short ton. The hole also intersected an apparent thickness of 21.5 feet grading 1.13% CuEQ which may confirm the continuity of copper mineralization in new skarn bed B8 48.
- OUH-61 was a vertical hole which successfully tested the trend of copper mineralized skarn below the drilling which defines the current Mineral Resource Estimate. OUH-61 intersected two skarn beds in Zone 8 (B8 48 and B8 51) and another in Zone 12. Notable intersection of B8 51 was an apparent thickness of 19.4 feet of 2.03% CuEQ which contained and apparent thickness of 5.5 feet of 4.81% CuEQ. The potential for copper mineralization continues to the east of these intersections.

Each of these holes confirmed Oracle Mining's geologic interpretation and have extended copper-bearing skarn mineralization beyond the limit of current drilling and our current Mineral Resource Estimate. The following tabulates the assay results obtained from the underground drilling program to date:

Drill Hole	From (feet)	To (feet)	Interval (feet)	Cu (%)	Au (oz/ton)	Ag (oz/ton)	CuEQ* (%)	Zone	Azimuth	Dip
OUH-58	139.5	150.0	10.5	1.00	0.003	0.26	1.13	B8	280	-68
OUH-58	184.0	217.5	33.5	1.28	0.003	0.23	1.41	B8	280	-68
OUH-58	223.0	235.2	12.2	0.51	0.002	0.19	1.07	Endoskarn	280	-68
OUH-59	220.0	239.5	19.5	2.07	0.003	0.20	2.17	B8	333	-62
OUH-59	249.50	258.50	9.00	0.67	0.002	0.34	0.80	Endoskarn	333	-62
OUH-60	144.5	166.0	21.5	0.97	0.005	0.27	1.13	B8	230	-63
includes	154.5	159.5	5.0	2.12	0.011	0.65	2.51			
OUH-60	195.5	219.0	23.5	1.89	0.009	1.01	2.35	B8	230	-63
OUH-60	234.5	239.5	5.0	0.58	0.002	0.10	0.65	Endoskarn	230	-63
OUH-61	102.0	108.6	6.6	1.21	0.007	0.36	1.44	B12	0	-90
OUH-61	189.5	202.6	13.1	1.24	0.003	0.24	1.36	B8	0	-90
OUH-61	210.1	229.5	19.4	1.92	0.001	0.33	2.03	B8	0	-90
includes	224.0	229.5	5.5	4.55	0.001	0.84	4.81			

There are no known drilling, recovery or other factors that could materially affect the accuracy or reliability of the data. Oracle Mining has posted an updated diagram of the drill hole locations of the reported assay results at http://www.oracleminingcorp.com/_resources/images/2014_Zone_8_intersects.pdf.

On May 13, 2014, the Company decided to temporarily suspend the 2014 Drill Program and rationalize expenditures to manage remaining financial resources while evaluating Third Party Options (as defined below) and continuing to advance permitting. Please refer to section 4 of this MD&A for additional information.

Data Verification

The drill program and sampling protocol were managed by qualified persons employed by Oracle Mining. The Company maintains a rigorous QA/QC protocol on all aspects of sampling and analytical procedure. Drill core is checked, logged, marked for sampling and split in half. The sample length varies depending on the geology and the mineralization. In general, the samples are predominantly about 5 feet long. Drill core recovery was excellent and exceeded 90 per cent. One-half of each drill core is maintained for future reference and one-half of each drill core is sent for analysis. Half-core samples are shipped to Skyline Assayer and Laboratories ("Skyline"), in Tucson, Arizona, an ISO/IEC 17025 accredited laboratory. Skyline is contracted to complete all sample preparation and assaying and is independent of Oracle Mining. Samples are analyzed employing acid digestion and atomic absorption for analyses of copper, as well as fire assaying for silver and gold. For QA/QC purposes, Oracle Mining inserts standard reference materials and blank samples into each sample batch submitted for assay to monitor laboratory performance. The Company periodically submits the pulps of the samples assayed by its primary lab to ALS Chemex Labs Ltd. in Reno, Nevada for check analysis.

Kevin Francis RM SME, Vice President Technical Services of Oracle Mining, a non-independent "qualified person" within the meaning of NI 43-101, has reviewed and approved the scientific and technical information included in this MD&A.

Mineral Resource Estimates

In March 2013, the Company announced its initial Mineral Resource Estimate for Oracle Ridge, which was included in a technical report filed April 1, 2013 (the "2013 Technical Report"). We subsequently conducted an underground drill program in the summer of 2013. In November 2013, Dr. Gilles Arseneau PhD, P.Geo., President of ARSENEAU Consulting Services Inc. ("ACS") was retained to complete an update to our Mineral Resource Estimate.

On February 26, 2014, the Company announced its updated Mineral Resource Estimate in a news release entitled "Oracle Mining Announces Updated NI 43-101 Resource Estimate for the Oracle Ridge Copper Project" dated February 26, 2014. A copy of this news release is available on SEDAR at www.sedar.com. A technical report entitled "Independent Technical Report for the Oracle Ridge Copper Project, Arizona, U.S.A." dated March 31, 2014 with an effective date of February 26, 2014 (the " 2014 Technical Report") was filed in support of the updated Mineral Resource Estimate. The 2014 Technical Report was prepared for Oracle Mining in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), by or under the supervision of, Dr. Gilles Arseneau, Ph.D., P.Geo., President of ACS. Dr. Arseneau is an independent "qualified person" within the meaning of NI 43-101.

As recommended in the 2013 Technical Report, Oracle Mining initiated a program of twinning historical holes and re-assaying historical core. Eleven holes were twinned and 66 historical holes were re-logged, photographed and resampled, and submitted to Skyline for analysis. An analysis of core samples between historical and re-assays identified a bias of 12.5% in the copper grade. Consequently, all historical assay data were adjusted downward by 12.5%. Additionally, new drilling results obtained since Oracle Ridge was acquired in 2010 have been consistently lower than the historical grades, resulting in lowering the overall average grade of the deposit. The new drilling information, the adjustment to historical drilling, along with other adjustments to the mineral resource estimation process have resulted in the loss of tons and overall lower grade compared to the March 2013 Mineral Resource Estimate.

Table 1 summarizes the combined estimated Measured and Indicated Mineral Resources at various cut-off grades for comparison purposes, with 1.0% copper equivalent ("CuEQ") used as the base case cut-off grade. Measured plus Indicated Mineral Resources at the 1.0% CuEQ base case cut-off grade are estimated to be 7.3 million short tons at 1.61% copper. All tonnages in these tables are in imperial (short) tons.

Table 1. Oracle Ridge Project Measured and Indicated Mineral Resource Estimate

		Grade				Contained Cu	Contained Ag	Contained Au
Cut-off %CuEQ	Tons Millions	%Cu	Ag oz/t	Au oz/t	%CuEQ	Millions (lb)	Millions (oz)	Thousands (oz)
2.00	2.5	2.23	0.66	0.008	2.58	113	1.7	21
1.75	3.7	2.03	0.62	0.008	2.35	151	2.3	29
1.50	5.0	1.87	0.58	0.007	2.17	186	2.9	36
1.25	6.3	1.72	0.55	0.007	2.01	216	3.4	42
1.00	**7.3**	**1.61**	**0.52**	**0.006**	**1.88**	**236**	**3.8**	**47**
0.75	8.0	1.53	0.51	0.006	1.80	245	4.0	50

- The effective date of the Mineral Resource Estimate is February 26, 2014.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.
- The base case cut-off grade of 1.0% CuEQ has been estimated to ensure reasonable prospects of economic extraction assuming extraction by an underground mining scenario, projected copper price of $2.80 per pound and estimated total site operating costs of $45 per ton.
- A selective mining unit of 15 x 15 x 10 feet has been used.
- Mineral Resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

- Silver and gold grade estimates were based on a less comprehensive data set than the copper grade estimates. Where copper grade estimates exist without accompanying silver or gold grade estimates, the drill hole was not used to estimate the silver or gold grade.
- Copper equivalency has been estimated using metal pricing of $2.80 per pound of copper, $20 per ounce of silver and $1,300 per ounce of gold. Metallurgical recovery were derived from preliminary lock cycle test results and assumed to be 81% for gold and silver. The formula used is as follows: CuEQ = Cu% + {(Ag oz/t * $20 * 0.81) + (Au oz/t * $1,300 * 0.81)}/$2.80/2,000*100.

Table 2 summarizes the estimated Measured Resources at various cut-off grades for comparison purposes, with 1.0% CuEQ used as the base case cut-off grade and Table 3 summarises the Indicated Mineral Resources at various cut-off grades for comparison purposes, with 1.0% CuEQ used as the base case cut-off grade.

Table 2. Oracle Ridge Project Measured Mineral Resource Estimate

Cut-off %CuEQ	Tons Millions	Grade %Cu	Grade Ag oz/t	Grade Au oz/t	Grade %CuEQ	Contained Cu Millions (lb)	Contained Ag Millions (oz)	Contained Au Thousands (oz)
2.00	0.43	2.11	0.68	0.009	2.47	18	0.29	4
1.75	0.65	1.94	0.63	0.008	2.27	25	0.41	5
1.50	0.84	1.80	0.60	0.008	2.12	30	0.50	6
1.25	1.0	1.69	0.57	0.007	1.99	34	0.58	7
1.00	**1.2**	**1.59**	**0.55**	**0.007**	**1.88**	**37**	**0.64**	**8**
0.75	1.3	1.51	0.53	0.007	1.79	39	0.68	9

- The effective date of the Mineral Resource Estimate is February 26, 2014.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.
- The base case cut-off grade of 1.0% CuEQ has been estimated to ensure reasonable prospects of economic extraction assuming extraction by an underground mining scenario, projected copper price of $2.80 per pound and estimated total site operating costs of $45 per ton.
- A selective mining unit of 15 x 15 x 10 feet has been used.
- Mineral Resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- Silver and gold grade estimates were based on a less comprehensive data set than the copper grade estimates. Where copper grade estimates exist without accompanying silver or gold grade estimates, the drill hole was not used to estimate the silver or gold grade.
- Copper equivalency has been estimated using metal pricing of $2.80 per pound of copper, $20 per ounce of silver and $1,300 per ounce of gold. Metallurgical recovery were derived from preliminary lock cycle test results and assumed to be 81% for gold and silver. The formula used is as follows: CuEQ = Cu% + {(Ag oz/t * $20 * 0.81) + (Au oz/t * $1,300 * 0.81)}/$2.80/2,000*100.

Table 3. Oracle Ridge Project Indicated Mineral Resource Estimate

Cut-off %CuEQ	Tons Millions	Grade %Cu	Grade Ag oz/t	Grade Au oz/t	Grade %CuEQ	Contained Cu Millions (lb)	Contained Ag Millions (oz)	Contained Au Thousands (oz)
2.00	2.1	2.25	0.66	0.008	2.60	95	1.4	17
1.75	3.1	2.05	0.62	0.008	2.37	126	1.9	23
1.50	4.1	1.88	0.58	0.007	2.18	156	2.4	29
1.25	5.2	1.73	0.54	0.007	2.01	182	2.8	35
1.00	**6.1**	**1.61**	**0.52**	**0.006**	**1.88**	**199**	**3.2**	**38**
0.75	6.7	1.54	0.50	0.006	1.80	207	3.4	41

- The effective date of the Mineral Resource Estimate is February 26, 2014.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.

- The base case cut-off grade of 1.0% CuEQ has been estimated to ensure reasonable prospects of economic extraction assuming extraction by an underground mining scenario, projected copper price of $2.80 per pound and estimated total site operating costs of $45 per ton.
- A selective mining unit of 15 x 15 x 10 feet has been used.
- Mineral Resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- Silver and gold grade estimates were based on a less comprehensive data set than the copper grade estimates. Where copper grade estimates exist without accompanying silver or gold grade estimates, the drill hole was not used to estimate the silver or gold grade.
- Copper equivalency has been estimated using metal pricing of $2.80 per pound of copper, $20 per ounce of silver and $1,300 per ounce of gold. Metallurgical recovery were derived from preliminary lock cycle test results and assumed to be 81% for gold and silver. The formula used is as follows: CuEQ = Cu% + {(Ag oz/t * $20 * 0.81) + (Au oz/t * $1,300 * 0.81)}/$2.80/2,000*100.

Table 4 summarizes the estimated Inferred Mineral Resources at various cut-off grades for comparison purposes, with 1.0% CuEQ used as the base case cut-off grade. At the 1.0% copper base case cut-off grade, the Inferred Mineral Resources are estimated to be 5.6 million tons at 1.53% copper.

Table 4. Oracle Ridge Project Inferred Mineral Resource Estimate

Cut-off %CuEQ	Tons Millions	Grade %Cu	Grade Ag oz/t	Grade Au oz/t	Grade %CuEQ	Contained Cu Millions (lb)	Contained Ag Millions (oz)	Contained Au Thousands (oz)
2.00	1.4	2.35	0.65	0.004	2.61	65	0.9	5
1.75	2.3	2.05	0.60	0.005	2.31	96	1.4	11
1.50	3.1	1.89	0.57	0.004	2.14	118	1.8	14
1.25	4.5	1.68	0.51	0.004	1.90	152	2.3	19
1.00	**5.6**	**1.53**	**0.49**	**0.004**	**1.75**	**173**	**2.8**	**22**
0.75	7.4	1.34	0.46	0.003	1.54	199	3.4	26

- The effective date of the Mineral Resource Estimate is February 26, 2014.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.
- The base case cut-off grade of 1.0% CuEQ has been estimated to ensure reasonable prospects of economic extraction assuming extraction by an underground mining scenario, projected copper price of $2.80 per pound and estimated total site operating costs of $45 per ton.
- A selective mining unit of 15 x 15 x 10 feet has been used.
- Mineral Resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
- Silver and gold grade estimates were based on a less comprehensive data set than the copper grade estimates. Where copper grade estimates exist without accompanying silver or gold grade estimates, the drill hole was not used to estimate the silver or gold grade.
- Copper equivalency has been estimated using metal pricing of $2.80 per pound of copper, $20 per ounce of silver and $1,300 per ounce of gold. Metallurgical recovery were derived from preliminary lock cycle test results and assumed to be 81% for gold and silver. The formula used is as follows: CuEQ = Cu% + {(Ag oz/t * $20 * 0.81) + (Au oz/t * $1,300 * 0.81)}/$2.80/2,000*100.
- Inferred Mineral Resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Mineral Resources will ever be upgraded to a higher category.

The updated Mineral Resource model was developed using a total of 613 drill holes, including 128 holes (70 from surface and 58 from underground) drilled on behalf of Oracle Mining between 2011 and 2013 drilling campaigns and 485 historical drill holes. All copper grades from the historical drill holes were adjusted down by 12.5% to correct an apparent bias associated with the historical assay database identified as a result of the 2013 re-assaying program by Oracle Mining of historical drill core.

The updated Mineral Resource Estimate has been generated from drill hole sample assay results and the interpretation of a geologic model that relates to the spatial distribution of copper in the deposit. Grade was estimated by ordinary kriging constrained within individually identified geological beds using sample data composited to 10-foot intervals into model blocks measuring 15 by 15 by 10 feet vertically. High grades, greater than 10% copper and greater than 2.0 oz/t silver, were restricted to search radii of 20 by 20 by 20 feet. A comprehensive geological model that encompasses all known mineralization was constructed. Mineral Resources have been classified using average distances and a minimum number of drill holes within the search ellipse and are reported according to the CIM definition standards for Mineral Resources and Mineral Reserves.

Dr. Arseneau verified the technical and scientific information including sampling, analytical and test data underlying the information or opinions relating to the updated Mineral Resource Estimate. This verification was done during a visit to the Oracle Ridge site and by reviewing and interpreting the data that was produced. In connection with the 2013 drilling program, Dr. Arseneau also reviewed QA/QC procedures, inspected drill core and reviewed assay certificates.

There are no known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Resources.

Power

In 2013, Trico Electric Cooperative Inc. ("Trico") reviewed the proposed power line alignment and engineering for Oracle Ridge. Arizona Public Service completed a Network Integrated Transmission Service Agreement with Trico and Southwest Transmission Cooperative, Inc., which determined that the additional power consumption contemplated by the Company could be serviced by APS through their substation in San Manuel. No further progress was made during the first quarter of 2014.

Permitting and Regulatory Programs

We have made significant progress in advancing the permitting process and continue to move forward with permitting that would be necessary to re-start production at Oracle Ridge, should a production decision be made. The following have been completed:

- PDEQ Class II Air Quality Operating Permit – June 2012
- Pima County Memorandum of Understanding – July 2012
- Secured Right of Way from Arizona State Land Department – November 2012
- Aquifer Protection Permit – March 2013
- Preliminary Jurisdictional Delineation – February 2013
- Traffic Impact Analysis – March 2013
- Special Land Use Permit – May 2013

A preliminary draft Environmental Assessment was submitted to the U.S. Forest Service ("USFS") during the fourth quarter of 2012 in support of our Plan of Operations. This authorization is necessary to allow us the use of a portion of Forest Service lands. USFS and Oracle Mining continue to advance this permit.

On May 8, 2014, Oracle Mining announced that it had signed Coordination and Collection Agreements with the U.S. Forest Service. These agreements have been completed between the U.S. Forest Service, Coronado National Forest, and Oracle Ridge Mining, LLC, relating to its Oracle Ridge Project. The agreements permit the U.S. Forest Service, Coronado National

Forest, to complete the review of the Company's Preliminary Draft Environmental Assessment (PDEA) and Plan of Operations, which Oracle Mining believes will culminate in approval of our activities on U.S. Forest Service lands.

The National Environmental Policy Act (NEPA) Coordination Agreement defines a working relationship between Oracle Mining and the Forest Service that will facilitate a third-party NEPA compliance review of the PDEA for the Oracle Ridge Project. The Forest Service will select a third-party environmental consultant to review the PDEA and its supporting documentation and to finalize the NEPA review of the Project Plan of Operations. Oracle Mining will have input regarding selection of the consultant and will fund the NEPA review through a contractual agreement directly with the consultant. The Collection Agreement states that the Company will compensate the U.S. Forest Service for the cost of providing oversight and technical direction to the consultant.

We have not made a production decision with respect to Oracle Ridge. A decision to proceed with production will be based upon the Company establishing a current Mineral Resource Estimate and the results of a future Feasibility Study demonstrating economic and technical viability.

Qualified Persons

All scientific and technical information concerning Oracle Ridge's Mineral Resource Estimate in this MD&A was prepared by, or under the supervision of, Dr. Gilles Arseneau Ph.D., P.Geo., of ACS. Dr. Arseneau is an independent qualified person within the meaning of NI 43-101. All scientific and technical information in this MD&A, other than scientific and technical information concerning the Mineral Resource Estimate, has been reviewed and approved for inclusion in this MD&A by Kevin Francis, SME RM, Vice President Technical Services of Oracle Mining, a non-independent qualified person within the meaning of NI 43-101.

3. REVIEW OF FINANCIAL RESULTS

Summary of Quarterly Results

The following table presents our quarterly results of operations for each of the last eight quarters.

In thousands of US Dollars	**Mar 31, 2014**	**Dec 31, 2013**	**Sept 30, 2013**	**June 30, 2013**	**Mar 31, 2013**	**Dec 31, 2012**	**Sept 30, 2012**	**Jun 30, 2012**
Interest income	-	4	5	11	15	14	21	47
Net loss	(2,204)	(2,653)	(3,545)	(3,200)	(3,800)	(6,581)	(5,412)	(4,783)
Basic and diluted loss per share	(0.04)	(0.05)	(0.07)	(0.07)	(0.08)	(0.17)	(0.14)	(0.12)

For the three months ended March 31, 2014, the Company had a net loss of $2.2 million compared to net loss of $3.8 million for the three months ended March 31, 2013. The decrease in net loss compared to the prior period is primarily due to a decrease of $1.4 million in exploration and evaluation expenditures, a decrease of $0.6 million in general and administrative costs, offset by an increase of $0.5 million in interest expense.

The decrease in exploration and evaluation expenditures is primarily due to a decrease of $0.3 million in design and technical studies, a decrease of $0.6 million in permitting costs, and a decrease of $0.3 million in administrative and advisory costs. The decrease in general and administrative expenditures is primarily due to a decrease of $0.3 million in salaries and benefits, a decrease of $0.1 million in professional and consulting fees, and a decrease of $0.2 million in share-based payments. The increase of $0.5 million in interest expense relates to an outstanding secured convertible loan facility issued in Q4 2013.

4. OUTLOOK

During the past quarter, the Board of Directors and Management of Oracle have reviewed the Company's spending priorities at Oracle Ridge. During the past several years, Oracle Mining has focused primarily on project permitting, engineering studies in metallurgy and geotechnical engineering, drilling and resource modelling with the objective of completing a positive feasibility study in support of constructing a complete processing facility and tailings storage area. In the past few months, Oracle Mining has been conducting a review of various project alternatives. The Project is distinctively located in the sixth-largest copper producing region in the world and the proximity to producing copper mines could potentially provide synergistic opportunities to work with third-parties to utilize their existing infrastructure ("**Third Party Options**").

On May 13, 2014, the Company decided to temporarily suspended the 2014 Drill Program and rationalize expenditures to manage remaining financial resources while evaluating Third Party Options and continuing to advance permitting. For additional clarity, evaluation of Third Party Options does not preclude Oracle Mining from pursuing the completion of a feasibility study.

5. RISKS AND UNCERTAINTIES

For a comprehensive discussion of risk factors, readers are referred to the Company's annual information form for the year ended December 31, 2013, dated March 31, 2014, which is available on SEDAR at www.sedar.com.

Continuing operations

As at March 31, 2014, the Company had cash and cash equivalents of $0.3 million, a working capital deficiency of $6.9 million, and long-term debt of $0.7 million. During the first three months of 2014, we were successful in raising net proceeds of $2.40 million through financing activities as described in section 6 of this MD&A. Future financial needs and the continuity of the entity as a going concern will be dependent on the Company's ability to raise sufficient capital to fund ongoing operations.

Significant additional funding will be required to achieve our objectives for the next 12 months as discussed above and to repay the outstanding principal and interest of our convertible loan facility ("Loan Facility") with Rich Stone Management Investment (Hong Kong) Limited ("Rich Stone") due November 12, 2014, as described in section 6 of this MD&A. The Company's continuing operations, as intended, are dependent on management's ability to raise funding through future equity issuances, debt financing, assets sales or a combination thereof. The ability to raise additional funding for future activities may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the control of the Company, such as uncertainty in the capital markets or depressed commodity prices. This is discussed in more detail below.

While the Company has been successful in raising capital in the past, there is no assurance that it will be successful in obtaining financing in the future. Management has been actively communicating with various financial institutions and potential investors, including signing a non-binding, indicative term sheet for project financing with Credit Suisse AG for a secured term loan of up to $70 million in order to advance the restart of Oracle Ridge. This project financing remains subject to a number of conditions, including completion of a Feasibility Study, due diligence, the receipt of internal credit approvals by Credit Suisse, and the negotiation and execution of definitive documentation.

Industry and economic factors affecting the Company's performance

a) Dependence on Oracle Ridge

We are an exploration and development stage company and as such do not anticipate receiving revenue from our mineral properties for some time. We are primarily focused on the exploration and development of Oracle Ridge.

A Mineral Resource Estimate in accordance with NI 43-101 for Oracle Ridge has been defined, which will be required as a basis for determining if Oracle Ridge has bodies of commercial mineralization**.** No Mineral Reserves currently exist at Oracle Ridge. Unless we acquire additional property interests that can generate cash flow, any adverse developments affecting Oracle Ridge could have a material adverse effect upon the Company and would materially and adversely affect our potential mineral production, profitability, financial performance and results of operations.

b) Exploration and development

The property interests owned by the Company are in the exploration stage and have not been identified as Mineral Reserves in accordance with NI 43-101. Mineral exploration involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The Company's mineral exploration activities may not result in discovery of mineralization that can be technically and economically extracted. If the Company's efforts do not result in discovery of mineralization that can be technically and economically extracted, the Company will be forced to look for other exploration projects or cease operations.

Substantial expenditures may be required to establish Mineral Resources and Mineral Reserves through drilling and the estimation of Mineral Resources or Mineral Reserves in accordance with NI 43-101. Although substantial benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify commercial operation and the funds required for development may not be obtained on a timely basis.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with advice from consultants and others as required. The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

Estimates of Mineral Reserves and Mineral Resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grade of mineral ultimately mined may differ from that indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

c) Future financing

Completion of future programs and repayment of indebtedness under the Loan Facility with Rich Stone will require additional financing. However, there is no certainty the Company will be able to raise funds in the event it needs to do so. Any successful future financing may dilute the interests of existing shareholders, and securities issued by the Company may grant rights, preferences or privileges senior to those of the Company's common shareholders.

Sales of a substantial number of common shares (including shares issuable upon the exercise of stock options and the exercise of warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

d) Indebtedness under the Loan Agreement

On November 12, 2013, Oracle Mining, as borrower and 0830438 B.C. Ltd. ("BC Holdco") and Oracle Ridge Mining, LLC ("Oracle LLC"), as guarantors, entered into the Loan Agreement for up to an aggregate principal of C$10.0 million. The principal amount advanced and outstanding under the Loan Agreement and all interest accrued, but unpaid thereon (the **"Loan Amount"**) will mature, absent acceleration, on November 12, 2014.

The Loan Amount is convertible at the option of Rich Stone into Common Shares and bears interest, all as more particularly described in section 6 of this MD&A. If the Loan Amount is converted, existing shareholders will suffer immediate dilution of their capital interest in the Company. Further, the market price of the Common Shares could decline as a result of the conversion of the Loan Amount and the sale into the market of the Common Shares underlying the Loan Amount. These factors could make it more difficult for the Company to raise funds through future offerings of Common Shares.

As security under the Loan Agreement, Oracle Mining and its subsidiaries BC Holdco and Oracle LLC have granted in favour of Rich Stone certain security interests, all as more particularly described in section 6 of this MD&A.

The Loan Agreement has usual and customary covenants to keep the facility in good standing, including, but not limited to, repayment of the principal advanced thereunder and accrued interest, receipt of monthly financial reports, compliance with all applicable laws and applicable securities legislation, obligation to provide notice of material events, compliance with the use of proceeds provisions of the loan, and obligation to maintain secured assets and insurance thereon. If we default in respect of our obligations under the Loan Agreement, then there is a risk that we could lose the Oracle Ridge Project and any other property securing our obligations under such Loan Agreement and our shareholders could lose their entire investment.

The Company's level and the terms of its indebtedness will have several important effects on its future operations, including, without limitation that it:

- will require the Company to dedicate a portion of its cash flow from operations, if any, to the payment of principal and interest on the Company's outstanding indebtedness, thereby reducing the funds available to it for operations and any future business opportunities;
- could increase the Company's vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure; and
- could limit the Company's ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes.

The Company's ability to make payments of principal and interest on its indebtedness depends upon the Company's future ability to obtain future financing which will be subject to the metal prices, prevailing economic conditions, industry cycles and financial, business and other factors affecting its operations, many of which are beyond the Company's control. If the Company cannot raise sufficient funds to meet its debt service and other obligations in the future, the Company may be required, among other things:

- to obtain additional financing in the debt or equity markets;
- to refinance or restructure all or a portion of its indebtedness; or
- to sell selected assets.

The Company cannot assure you that such measures will be sufficient to enable the Company to service its debt. In addition, any such financing, refinancing or sale of assets might not be available on economically favorable terms or at all. If the Company does not generate sufficient cash flow from operation, and additional financings, borrowings or refinancings, or proceeds of asset sales are not available to it, the Company may not have sufficient cash to enable it to meet its obligations, including payments under the Loan Agreement.

e) Litigation

We are subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. In December 2012, the Company received notification of a lawsuit against the Company for an alleged breach of contract (See discussion in note 17(c) of our consolidated financial statements). We may also be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which we are or may become subject could have a material effect on our financial position, results of operations, our mining and project development operations or our current or potential financing arrangements.

f) Titles to property

There may be challenges to the title to the mineral properties in which the Company holds a material interest. If there are title defects with respect to any of its properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

g) Permits and licenses

The Company is required to obtain and renew licenses and permits from various government authorities for existing operations and any ultimate development, construction and commencement of mining operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects. Further, the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

h) Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any minerals discovered. The Company’s revenues, if any, are expected to be in a large part derived from the mining and sale of copper and other precious and non-precious metals. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, and worldwide production levels. The effect of these factors cannot be accurately predicted, but they may adversely affect the Company’s operation and its ability to raise capital.

i) Historical production may not be indicative of the potential for future development

Oracle Ridge was previously an operating mine. However, historical production may not be indicative of the potential for future development of the property. Due to the uncertainties associated with exploration and development, including variations in geology and structure, there is no assurance that the Company’s development efforts will be successful or that prior operating results are reflective of additional or economically developable deposits. Investors in the Company’s securities should not rely on historical operations as an indication that the Company’s mining properties will be placed into commercial production again or that such properties will produce revenues or be profitable.

j) Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests, for equipment required to conduct its activities, as well as for recruitment and retention of qualified employees.

In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

k) Environmental regulations

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

l) Stage of development

The Company does not have a history of earnings or the provision of return on investment, and in the future there is no assurance that it will produce revenue, operate profitably, or provide a return on investment. The Company has limited financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon the Company being able to: (i) locate a profitable mineral property; (ii) generate revenues in excess of expenditures; and (iii) reduce exploration and administrative costs in the event revenues are insufficient.

m) Dividends

The Company has never declared or paid any dividends on its common shares. Currently, the Company intends to retain its earnings, if any, to finance the growth and development of the business and does not expect to pay dividends or to make any other distributions in the future, which may limit the way in which investors may realize any returns on their investment.

n) Industry conditions

The Company's assets and activities are subject to laws and regulations governing various matters, including, but not limited to:

- exploration, development of mines, production and post-closure reclamation;
- price controls;
- taxation;
- expropriation of property;
- environmental protection;
- use of toxic substances and explosives;
- management of natural resources;
- exports;
- development criteria or changes in conditions under which minerals may be mined, milled or marketed;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits against the Company based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It may be difficult to strictly comply with all regulations imposed on the Company. The failure to comply with all applicable laws could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

o) Uninsured hazards

Mineral exploration involves risks, including unusual geological conditions, which, even with a combination of experience, knowledge and careful evaluation, mineral exploration companies may not be able to overcome. The Company may become subject to liability for damage to property, environmental damage or other damage, which cannot be insured against, or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

p) Key employees

The Company's performance is substantially dependent on the performance and continued efforts of the Company's key officers. The loss of the services of any of the Company's key officers could have a material adverse effect on the Company business, results of operations and financial condition. The Company currently does not carry any key person insurance on any of its officers. The Company has limited resources and may be unable to compete with larger organizations with respect to compensation and perquisites.

q) Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern. The Company's future liquidity will depend upon its ability to develop and finance future profitable business opportunities.

			As at		
In thousands of US dollars	**Mar 31, 2014**	**Dec 31, 2013**	**Sept 30, 2013**	**June 30, 2013**	**Mar 31, 2013**
Cash and cash equivalents	312	324	648	2,426	5,428
Working capital	(6,856)	(4,955)	(2,353)	1,068	4,231

Cash and cash equivalents as at March 31, 2014 were $0.3 million compared to $0.3 million as at December 31, 2013. Working capital deficiency was $6.9 million as at March 31, 2014, compared to working capital deficiency of $5.0 million as at December 31, 2013. The decrease in working capital is due to resources expended for exploration and evaluation of Oracle Ridge and general and administrative costs.

The Company's current plans are to continue to minimize expenses while performing necessary work to advance Oracle Ridge. The Company anticipates receiving the remaining instalments of the Loan Facility from Rich Stone which should provide the Company approximately C$2.99 million (C$1.19 million for the remaining second tranche of the Loan Facility and C$1.80 million for fees and interest to be repaid at the Loan Facility's maturity (see note 8 and note 20 of the consolidated financial statements)). The remaining instalments of the Loan Facility from Rich Stone will not provide the Company sufficient financial resources required to complete the 2014 Drill Program, but will allow the Company to assess the viability of Third Party Options and advancing the permitting of Oracle Ridge project in the near term (see section 4 of this MD&A). While the Company has been successful in raising capital in the past, there is no assurance that it will be successful in obtaining financing in the future.

Financing activities

Three months ended March 31, 2014

During the three months ended March 31, 2014, the Company closed C$2.8 million of the second tranche under the Loan Facility with Rich Stone. The Company paid an origination fee of C$0.15 million to Rich Stone. As at March 31, 2014, the Company has accrued interest of approximately C$0.8 million relating to the Loan Facility. Please see below and refer to note 8 of the consolidated financial statements for additional information. On May 13, 2014, the Loan Facility was amended where interest in the aggregate amount of C$1,200,000 and the origination fee payable of C$600,000 are to be advanced to the Company as soon as practicable and repaid to Rich Stone on the maturity of the Loan Facility (see note 8 and note 20 of the consolidated financial statements).

Description of Financing	Disclosed Use of Proceeds	Actual Use of Proceeds
November 2013 convertible loan facility (Tranche II): $2.4 million net proceeds	Expenditures related to Oracle Ridge and general corporate purposes	Expenditures related to Oracle Ridge for the 2014 Drilling Program and general corporate purposes.

Rich Stone has the option to convert, on or before November 12, 2014, C$2.8 million and all interest accrued, but unpaid thereon (excluding, for greater certainty, default interest), to common shares at the conversion price of C$0.37 per share.

Year ended December 31, 2013

On November 12, 2013, the Company closed the initial tranche of approximately C$3.0 million of the Loan Facility for up to an aggregate principal of C$10.0 million with Rich Stone. The balance of the first tranche (approximately C$1.0 million was received on November 21, 2013). The loan will mature on November 12, 2014. The Company paid an origination fee of C$0.2 million to Rich Stone, an arm length's party, and incurred expenses of C$0.5 million. As at December 31, 2013, the Company has accrued interest of C$0.2 million relating to the Loan Facility. Please refer to note 8 of the consolidated financial statements for additional information. On May 13, 2014, the Loan Facility was amended where interest in the aggregate amount of C$1,200,000 and the origination fee payable of C$600,000 are to be advanced to the Company as soon as practicable and repaid to Rich Stone on the maturity of the Loan Facility (see note 8 and note 20 of the consolidated financial statements).

Description of Financing	Disclosed Use of Proceeds	Actual Use of Proceeds
November 2013 convertible loan facility (Tranche I): $3.2 million net proceeds	Expenditures related to Oracle Ridge and general corporate purposes	Expenditures related to Oracle Ridge, including repayment of a promissory note related to a land exchange and normal course accounts payable

As security for the Loan Facility, the Company has granted in favour of Rich Stone: (i) a general security agreement providing for a security interest over all present and after-acquired personal property; and (ii) a pledge of equity interests with respect to all securities held by the Company in the capital of BC Holdco (defined above). The Loan has also been guaranteed by BC Holdco and Oracle LLC (defined above) and the obligations under these guarantees are secured by: (i) a general security agreement granted by BC Holdco providing a security interest over all present and after-acquired personal property; (ii) a pledge of BC Holdco's equity interest in all membership interests of Oracle LLC; (iii) a deed of trust with respect to certain real property and mining rights held by Oracle LLC in Pima County, USA (subject to the net smelter royalty in favour of MF2 Investment Company I LP); (iv) a leasehold deed of trust with respect to Oracle LLC's rights and interest under certain leases with respect to certain real property in Pima County, USA; and (v) a security agreement with respect to all present and after-acquired personal property of Oracle LLC.

Rich Stone has the option to convert, on or before November 12, 2014, C$4.0 million and all interest accrued, but unpaid thereon (excluding, for greater certainty, default interest), to common shares at the lower conversion price of: (i) C$0.37 per share; and (ii) the market price calculated as the volume weighted average trading price of the common shares for the five (5) trading days prior to the date of conversion, provided that, such market price will not be less than a minimum price of C$0.30 per share.

Investing activities

During the quarter ended March 31, 2014, the Company did not have significant investing activities.

Contingencies, commitments and liabilities

As at March 31, 2014, the anticipated cash payments required to satisfy the Company's commitments and liabilities are as follows:

In thousands of US Dollars	**Total**	**Less than 1 year**	**1 - 5 years**	**After 5 years**
Trade and other payables	1,598	1,598	-	-
Convertible note, including interest	7,260	7,260	-	-
Reclamation Provision (undiscounted)	708	-	-	708
Other liabilities	305	-	305	-
Lease commitments	1,345	313	955	77
Total	**11,216**	**9,171**	**1,260**	**785**

Current working capital is not sufficient to meet all commitments or to carry out its plans as described in section 4 of this MD&A. Significant additional funding will be required to meet the commitments and to carry out its plans. The Company is currently evaluating various financing options to support operations.

In December 2012, the Company received notification of a lawsuit against the Company from a third party regarding an alleged breach of contract related to finder's fee in respect of certain financing arrangements. The Company vigorously defended the claim in a trial held on January 28-30, 2014 before a judge in the United States District Court Southern District of New York. On March 25, 2014, the Court issued its decision in favour of Oracle Mining and dismissed all claims that had been brought against the Company. The appeal period expired 30 days after the decision was issued and no further action is expected.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Proposed Transactions

As is typical of the mineral exploration and development industry, Oracle Mining is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, other receivables, reclamation bond, trade and other payables, promissory note payable, convertible note, derivative liability, and other long-term liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information about the financial instrument. These estimates are subjective in nature and may involve significant uncertainties in matters of judgment and, therefore, cannot be determined with precision. The fair values of cash and cash equivalents, other receivables, trade and other payables, taxes payable and promissory note payable, and other long-term liabilities approximate their carrying values due to their short term maturity.

The Company's financial instruments have been classified as follows under IFRS:

- Cash and cash equivalents: Loans and receivables
- Other receivables: Loans and receivables
- Reclamation bond: Loans and receivables
- Trade and other payables: Other liabilities
- Convertible notes: Other liabilities
- Derivative liabilities: Fair value through profit and loss
- Other long-term liabilities: Other liabilities

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are interest rate risk, foreign currency risk, credit risk, price risk and liquidity risk.

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its obligations. The Company manages liquidity risk through an annual budget and ongoing monitoring of expenses and capital expenditures.

In management's opinion, the Company is not exposed to significant interest rate or credit risk arising from these financial instruments. The Company is exposed to foreign currency risk through its cash and cash equivalents, other receivables and accounts payable denominated in Canadian dollars. As a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates. At March 31, 2014, with other variables unchanged, a 10% change in the US dollar/Canadian dollar exchange rate would impact pre-tax earnings by $0.7 million for the three months ended March 31, 2014. The Company monitors US dollar/Canadian dollar exchange rates on a constant basis and takes actions to mitigate risks as necessary.

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's ability to access capital markets due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on net income and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity price of copper and the stock market to determine the appropriate course of action to be taken by the Company.

Transactions with Related Parties

Rich Stone Secured Convertible Loan Facility

As Rich Stone is a significant shareholder of the Company, the Company regards the Loan Facility as a related party transaction. The Company entered into this related party transaction because alternate sources of financing were not available given the limited access to public financing due to current global financial conditions. As at March 31, 2014, C$6,800,000 has been advanced by Rich Stone and fees and interest of C$390,000 were paid to Rich Stone.

The initial tranche of the Loan Facility is a hybrid financial instrument. The debt component is measured at amortized cost and is accreted over the expected term to maturity using the effective interest method. The derivative component is measured at fair value at each report period. The second tranche of the Loan Facility is a compound financial instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity and is not subsequently remeasured. As at March 31, 2014, the debt component of the convertible note (inclusive of the initial and second tranche) had a carrying value of $5,654,000, the derivative liability had a fair value of $147,000, and the option premium on the second tranche of the convertible note had a carrying value of $48,000. An unrealized gain on the derivative liability of $216,000 was recorded in the quarter.

The Loan Facility has usual and customary covenants to keep the facility in good standing including, but not limited to, repayment of the loan and accrued interest, provision of monthly financial reports, compliance with all applicable laws and applicable securities legislation, provision of notice of material events, compliance with the use of proceeds provisions of the loan and maintenance and insurance coverage of secured assets.

For further information regarding the Loan Facility see section 6 of this MD&A and notes 8(b), and 20 of the consolidated financial statements. A copy of the Loan Facility agreement, as amended, is available on SEDAR at www.sedar.com.

Capitalization

As at May 13, 2014, the Company had the following issued and outstanding common shares and unexercised stock options and warrants:

	Shares and Potential Shares
Common shares outstanding	49,034,070
Warrants (Exercise price C$1.02)	4,900,000
Stock options (average exercise price C$0.76)	3,240,000
Conversion of convertible note - First tranche (min. C$0.30 conversion price)	13,983,759
Conversion of convertible note - Second tranche (C$0.37 conversion price)	9,456,912
Total common shares and potential common shares	80,614,741

7. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that material information related to the Company is identified and communicated as appropriate on a timely basis.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as at March 31, 2014. Based on this evaluation, they concluded that our disclosure controls and procedures were effective as at March 31, 2014 in providing reasonable assurance that the information required to be disclosed in reports we filed or submitted under Canadian securities legislation was recorded, processed, summarized and reported within the time periods specified in those rules.

Internal control over financial reporting

The Company's management, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and used the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to evaluate the effectiveness of our controls for the quarter ended March 31, 2014.

Based on this evaluation, management concluded that our internal control over financial reporting was effective as at March 31, 2014 and provided a reasonable assurance of the reliability of our financial reporting and preparation of the financial statements.

However, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, do not expect that the Company's internal control over financial reporting will be capable of preventing all errors and fraud. Any system no matter how well conceived or operated has inherent limitations. Therefore, even systems determined to be effective can provide only reasonable, not absolute, assurance of the reliability of financial statement preparation and presentation.

Changes in internal control over financial reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

8. CRITICAL JUDGEMENTS AND ESTIMATES

The consolidated financial statements are prepared in accordance with IFRS. The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period.

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (see below), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, the determination of functional currency for the Company and its subsidiaries, the determination that the acquisition of the Oracle Ridge project represents an acquisition of an asset rather than a business combination and the assumption that the Company will continue as a going concern.

Certain of our accounting policies are recognized as critical because they require management to make estimates and assumptions about matters that are inherently uncertain. Our critical accounting policies and estimates relate to:

- The recoverability of amounts receivable and prepayments;
- Impairment of non-financial assets;
- The estimated useful lives of property, plant and equipment and the related depreciation;
- The inputs used in accounting for share-based compensation expense;
- The inputs used in accounting for the fair value of warrants;
- The allocation of funds received from MF2 Investment Company 1LP, Bermuda LP between the NSR Royalty, issued capital, and warrant reserve; and
- The inputs used in accounting for the convertible note payable and derivative liability which are included in the consolidated statement of financial position and the related unrealized gain on derivative liability included in the statement of comprehensive loss.

For a summary of significant accounting policies, please refer to note 2 of the December 31, 2013 audited consolidated financial statements.

Management believes it has made estimates that best reflect the facts and circumstances, however, actual results may differ from estimates.

9. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following standards are effective for the Company on January 1, 2014. There was no material impact on the consolidated financial statements arising from the implementation of these standards.

- IAS 32, Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32): On December 16, 2011 the IASB published amendments to IAS 32 Financial Instruments: Presentation to clarify the application of the offsetting requirements.

- IFRS 21, Levies: IFRIC 21 is an interpretation of IFRS 37 – Provisions, Contingent Liabilities and Contingent Assets, on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (“obligation event”). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.