

**AUGUSTINE VENTURES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
QUARTER ENDED FEBRUARY 28, 2014**

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) of Augustine Ventures Inc. (“Augustine” or “Company”) is dated April 24, 2014 and provides an analysis of Company’s performance and financial condition for the quarter ended February 28, 2014 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of Company for the year ended November 30, 2013 and the unaudited condensed interim financial statements for the 3 month period ended February 28, 2014, together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified. The financial statements, along with Certifications of Annual and Interim Filings, news releases and other information, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on Company’s expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of Company are set out below under “Risk Factors”. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

OVERALL PERFORMANCE

Principal Business and Corporate History

Augustine is a Canadian junior gold exploration company engaged in the acquisition, evaluation and exploration of mineral properties in Canada. Company was established in 1997 as Black Mountain Minerals Inc. by statutory amalgamation of Triangle Capital Energy Corp. and Per-X Minerals Inc. pursuant to the provisions of the Business Corporations Act (Ontario). Company’s name was changed from Black Mountain Minerals Inc. to Augustine Ventures Inc. on November 30, 2006. Company is listed on the Canadian Securities Exchange (“CSE”) and commenced trading under the symbol “WAW” on June 14, 2011.

Augustine is currently engaged in gold exploration in Wawa, Ontario. The property interest consists of an option to earn up to a 75% interest in the Wawa Gold Project which encompasses 2,345 hectares in McMurray Township, southeast of the Town of Wawa. Over 95 percent of the property consists of leases and/or patents for both mineral and surface rights that are easily accessible. The property has a gold resource of 1.1 million ounces at 1.5 g/t contained in 22.4 million tonnes (NI 43-101 compliant) with known depth extension to 600 meters, a history of past production from the known vein deposits and a large number of untested but documented gold occurrences.

Augustine acquired the Wawa Gold Project pursuant to the terms of an option agreement (the “Option Agreement”) dated April 16, 2009 entered into between Citabar Limited Partnership (“Citabar”), Citadel Gold Mines Inc. (Citadel”), Delta Uranium Inc. (“Delta”) and Delta Precious Metals (Ontario) Inc. (“DPMI”), and also pursuant to the terms of an assignment agreement (the “Assignment Agreement”) dated September 15, 2010 entered into between Delta, DPMI, Citadel, Citabar and Company. Pursuant to the terms of the Assignment

Agreement Citabar and Citadel consented to Delta and DPPI assigning their rights under the Option Agreement to Company, whereby Delta and DPPI grant the Corporation the exclusive right to earn an undivided 60% interest in the Wawa Gold Project. A compensation agreement dated September 22, 2010 (the "Compensation Agreement"), as amended on November 25, 2010 (the "Amending Compensation Agreement"), was entered into between Delta, DPPI and the Corporation for the Assignment Agreement.

In consideration for Citabar's consent, Company has agreed to issue an aggregate of 1,000,000 common shares to Citabar as follows:

1. 250,000 common shares on the date that the Ontario Ministry of Northern Development, Mines and Forestry ("MNDMF") consents to the transfer of the Surluga Property from Citadel to Citabar (the "Consent Date") (which such shares have been issued); and
2. an additional 250,000 common shares on each of the first, second and third year anniversary of the Consent Date (of which 500,000 common shares were issued on the first and second anniversary date).

Pursuant to the Compensation Agreement and Amending Compensation Agreement, Company has agreed to pay Delta an aggregate of \$100,000 and issue an aggregate of 3,810,000 common shares of which the \$100,000 has been paid and the 3,810,000 common shares have been issued.

On October 12, 2012, Company amended the Option Agreement (the "Amending Agreement") with Citabar, and extended the date to have spent a total of \$2,000,000 in eligible expenditure on its Wawa Gold Project from November 10, 2012 to June 30, 2013. For consideration of Citabar entering into the Amending Agreement, Company issued 500,000 common shares to Citabar.

On March 18, 2013, Company reached a Second Amending Agreement with Citabar to amend the Option Agreement. Under the Second Amending Agreement, the Company has an option to earn an undivided 60% interest in the Surluga Property from Citabar by expending an aggregate of \$4.0 million in eligible expenditures on or before November 30, 2013. Under the Second Amending Agreement, Company also shall have the right to acquire an additional undivided 15% ownership interest on the Wawa Gold Project by expending an additional \$4.0 million in eligible expenditures (for an aggregate total of \$8.0 million in eligible expenditures) on or before June 30, 2015. In consideration for amending the Option Agreement and upon the successful closing of a planned \$3.5 million private placement, Company agreed to issue to Citabar such number of common shares of Company that would result in Citabar owning, in the aggregate, 30% of the issued and outstanding common shares of Company, excluding shares that Citabar or its affiliates owned prior to the \$3.5 million private placement.

Effective October 21, 2013, Company reached a Third Amending Agreement with Citabar to further amend the original Option Agreement and Second Amending Agreement. Under the Third Amending Agreement, Citabar agreed to extend the date to earn an undivided 60% interest in the Wawa Gold Project from Citabar by expending an aggregate of \$4 million in eligible expenditures from November 30, 2013 to June 30, 2014. subject to Company demonstrating to the satisfaction of Citabar, in Citabar's sole discretion, that Company have firm commitments of sufficient financing by December 15, 2013 and having received the proceeds of such funding by January 15, 2014. Subsequent to the year ended November 30, 2013, Company received a waiver from Citabar to waive those requirements in consideration for amending the Option Agreement, Company shall, upon having spent sufficient funds so as to earn in a 60% interest in the Wawa Gold Project, issue to Citabar such number of Company's common shares that will represent 30% of the issued and outstanding common shares of Company, independent of the shares already owned by Citabar and any of its wholly owned subsidiaries and affiliates.

In addition, the Augustine acquired a 100% undivided interest in an additional 161 claim units totalling 2,576 hectares adjacent to its Wawa Gold Project known as the Oakley Lake Property.

Results of operations - Projects review

Wawa Gold Project, Wawa, Ontario

Company completed a NI 43-101 Mineral Resource Estimate on the Wawa Gold Property. A full description of the property is found in the NI 43-101 report dated October 25, 2011 entitled, "A Technical Review and Mineral

Resource Estimate for the Jubilee - Surluga Property, Near Wawa, Ontario, Canada for Augustine Ventures Inc.", by Clifford J. Duke, P. Eng. Of Watts, Griffis and McOuat (amended October 15, 2012) (the "WGM Report").

A summary of the WGM Report is provided below.

Project Location and Description:

The Surluga Property is located around 47.98°N 84.75°W, about two kilometres east of the Town of Wawa, Ontario. The Property lies entirely within McMurray Township, astride highway 101. The Property is accessed off of highway 101 by a gravel road that was the road to the formerly producing Jubilee and Surluga Mines.

The Surluga Property consists of three contiguous groups. The largest block, consisting of 150 Patented Claims and Crown Leases, and one Unpatented claim, extends from Wawa lake south to include Bond and Mountain Lakes. A second small block of three Crown Leases touches the main block corner to corner, and extends west under Anderson Lake up to the town of Wawa. The third block of 7 patented claims lies immediately to the south of the main block. The total area of the Property is 2,022.73 ha.

Augustine holds surface rights to about 1,900 ha of the mineral dispositions. The surface rights generally cover old mine areas including shafts and tailings impoundments. The surface rights have been severed from some small areas within the claims. Augustine continues to hold the timber rights to a small number of claims.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Town of Wawa is located on the Trans-Canada Highway 17, 225 km north of Sault Ste. Marie, near the north shore of Lake Superior. Highway 101 leads east from the Trans-Canada highway toward Timmins. The property is accessed off of highway 101 by a gravel road that was the road to the formerly producing Jubilee and Surluga mines.

Lake Superior has a moderating effect on the local weather. Temperatures are highest in August, averaging 14.9°C, and lowest in January, averaging -14.8°C. Total annual precipitation averages 1,002 mm, with 329 mm falling as snow between September and May.

The Town of Wawa has a population of 3,204. There are an equal number of people living in the surrounding region, including the towns of Chapleau, White River, Dubreuilville, and six First Nation communities. The town of Wawa has a rich mining heritage going back to the late 1800s. Iron mining in Wawa stopped in 1998, leaving behind much of the infrastructure necessary to support a mining operation, including power lines, railways, harbour, and an airport. The Algoma Central Railway provides regular service between Sault Ste. Marie and Hawk Junction, about 15 km from the site. The Michipicoten harbour is a natural deep water harbour formerly used to ship iron ore to market.

The mining infrastructure on the site has been removed as part of Citadel closure plan. The tailings pond at Minto Lake is present and maintained subject to the closure plan. The original all weather access road to the Surluga mine site is in place and in good condition.

Wawa is located in the Canadian Shield, at an elevation of about 287 m above sea level ("ASL"). The terrain is hilly, with local steep ridges, and local elevations vary between 260 m and 400 m ASL. The property is forested predominantly with spruce, pine, birch and poplar.

Environmental Liabilities

The Surluga Property is the site of considerable historical production. There have been a number of shafts sunk, and a tailings facility has been developed at Minto Lake. The previous owners, Citadel have completed a program of environmental cleanup, removed the mining infrastructure, and filed a Closure Plan with the MNDMF. MNDMF allowed the transfer of ownership of the property from Citadel to Citabar, and indicated that an amendment to the Closure Plan filed by Citadel is not required.

A Closure Plan Compliance Report for 2013 has been completed by a third party consultant (exp report dated March 31, 2014) confirming that the property remains in compliance with the Closure Plan and that the Certificate of Approval for the tailings disposal system is still in good standing.

History

Prior to 2007 exploration drilling along the Jubilee Shear consisted of 49,549 m of diamond drilling in 279 surface holes, and 48,768 m in 1,502 underground diamond drill holes. In 1998, the Ontario Geological Survey flew the Surluga Property as part of a helicopter-borne geophysical survey. Magnetic and three frequency electromagnetic data were recorded. A mining history of the property was summarized by Rupert (1990). It is outlined below:

1880s	Numerous mining locations acquired in the area by "Princes of Commerce". Very few technical records.
1895	The Ontario government adopted a claiming system to encourage mining title acquisition by other classes of citizens.
1897-1902	A staking rush occurs in the Wawa area. Most local prospects are reported as legally defined new discoveries in this period.
1901	Grace Mine (Algoma Commercial Co.) started operations.
1899-1903	Mariposa and Minto shafts are sunk.
1902	Longbottom and other veins are located near the Parkhill mine but their development is deterred by property boundaries.
1901-1912	Intermittent production from the Grace mine.
1910-1922	Many claims in the area are abandoned.
1922-1926	The area is restaked and heavily promoted, primarily by the Power and Mines Syndicate and Corporation, owner of the Grace mine, the Michael Syndicate, part owner of the Parkhill, Minto, and Jubilee mines, the Pioneer Mining Corporation, part owner of the Parkhill mine, and Cooper Gold Mines Limited, part owner of the Minto and Jubilee mines.
1930-1938	Parkhill Gold Mines Limited sank a shaft and produced gold from the Parkhill mine.
1930-1934	The Minto mine produced gold for Minto Gold Mines Limited.
1934-1939	The Jubilee mine was operated by Minto Gold Mines Limited.
1934-1937	Darwin Gold Mines Ltd. produced gold from the Grace mine.
1961-1987	Surluga Gold Mines (later renamed Citadel Gold Mines) explored the property north of Ward Lake, and developed the Surluga mine. Production began in 1969. Over 350 surface and 900 underground diamond drill holes were bored.
1980-1986	Dunraine Mines Limited acquires the Parkhill mine and the Vansickle mine, and drilled 39 additional diamond drill holes. The Parkhill mine is partially dewatered.
1980-1983	Dunraine Mines Limited acquires the Grace mine property and drills 37 diamond drill holes.
1988	Citadel purchases the Parkhill and Grace mine properties.
1987	Citadel options the Vashaw Claims.

- 1988-1990 Citadel conducts surface stripping programs on the Parkhill, Darwin and Vashaw claim groups.
- 1987-1989 Citadel diamond drill program includes one hole along the Darwin Shear and 5 holes along a suspected splay off the Darwin Shear, north of Ward Lake.
- 1989 Citadel produces gold from the Surluga mine for 8 months. The tailings area is developed at Minto Lake. On closing the remaining resources were estimated at 710,000 short tons at a grade of 0.125 oz/short ton. WGM has not audited this estimate. This estimate is considered historical as it pre-dates the NI 43-101 standard. This historical estimate is presented here for historical completeness, and should not be relied upon.
- 1989 Van-Ollie Mines Limited acquires the neighboring Vansickle mine property. An extensive stripping program is conducted on the Vansickle, Sunrise and Mickelson veins, and 5,113 feet is diamond drilled in 30 holes.

The following additional exploration work has been carried out since the Rupert (1990) summary:

- 2007 Citabar completed 12 diamond drill holes, and two wedged holes, for a total of 9,282 m of core were drilled. All the holes were NQ size, except for hole 07-393B which was reduced to BQ size because of problems with the wedging procedure. The drill holes targeted the down dip extension of the Jubilee Shear zone.
- 2011 Augustine conducted an 18 hole drill program for a total of 2,944 m of core to verify the historical data on the Surluga claims. Five (5) of the holes were set to target the mineralization north of the Jubilee mine workings, while the remaining 13 holes were designed to twin existing diamond drill holes.
- In addition, 412 km of helicopter borne electromagnetic-magnetic survey were flown by Geotech Ltd using a VTEM® system.
- 2013 to present In preparation for the next drilling program, Augustine has conducted geological modeling work to incorporate both the data from its drilling program and data from relogging and re-sampling core from historic drilling (approximately 279 surface holes and 1,505 underground drill holes) from the former Surluga mining operation between 1987 and 1990. This work is on-going and the results are encouraging with respect to understanding the geology and increasing confidence in extending the resource with the planned next stage of exploration drilling.

Geological Setting - The regional, local and property geology

The Archean Age Superior Province form the centre of the North American continent, the collision zones along which elements of the Precambrian Canadian Shield were amalgamated. The rocks are primarily Mesoproterozoic and Neoproterozoic in age, and have been significantly affected by post-Archean deformation along the boundaries marked by Proterozoic orogens, such as the Trans-Hudson and Grenville orogens. Major internal fault zones, such as the Kapuskasing Structural Zone also cross the province. Proterozoic and younger activity consists of rifting along the margins, the emplacement of mafic dyke swarms, compressional reactivation, and large scale rotations. Trends in the Superior Province are generally easterly in the southern areas. The great potential for base metals, gold, and other commodities in the Superior Province continues to attract mineral exploration.

The Surluga Property is located in the Michipicoten Greenstone Belt, within the Wawa sub-province of the Archean Superior Province. The Michipicoten Greenstone Belt is divided into three volcanic and intrusive cycles, typical of Archean greenstone belts within the Superior Province. Notable past and current producing mineralization within the Michipicoten greenstone belt includes gold and iron. Minor deposits of nickel, copper and diamonds are also present within the greenstone belt. The Surluga Property volcanic and intrusive rocks are considered to be part of Cycle 1 and have been dated as approximately 2.745 Ga years old.

The Surluga Property lies within the Michipicoten greenstone belt, a structurally and stratigraphically complex assemblage of volcanic, sedimentary and intrusive rocks that have been metamorphosed to greenschist and

amphibolite facies. Several suites of plutonic rocks ranging in composition from gabbro to monzogranite and syenite occur in and around the Michipicoten greenstone belt. The rocks have been repeatedly deformed and metamorphosed. Early structures include major recumbent folds, thrusts and associated cleavages. Later upright folds were superimposed, and the latest structures include northeast trending shear zones that host auriferous vein systems and northerly trending sinistral faults.

The Surluga Property is located over the Jubilee Stock, interpreted as an intrusion emplaced within a caldera structure of the host felsic to intermediate volcanic rocks. A intrusive event consisting of abundant dykes and irregular bodies of mafic to intermediate composition post dates the stock.

Both volcanics and intrusives were folded and deformed prior to the development of several gold bearing planar faults. The Jubilee Shear and Darwin Shear are prominent northeast-southwest trending fault structures, possibly related to each other as they appear offset by the Parkhill Fault. The Parkhill Fault trends southeast-northwest, beneath the town of Wawa, and is associated with a diabase dyke. The Parkhill Shear strikes eastward, perpendicular to the Parkhill Fault. These shear structures host the gold mineralization on the property, although their role in the formation of the gold deposits is not clear. The Jubilee Shear, which hosts the Surluga mine, swells from 6m to 60m in width, and dips about -45° to the northeast at surface, flattening to -30° at depth. Widths of the shear zone are greatest in the diorites, and less in areas of volcanic units. Most wall rocks of the Jubilee Shear are dioritic intrusive with inclusion of andesite flows or felsic tuff. In a few places, the sheared wall rocks are gabbros.

A late Proterozoic intrusion of hypabyssal diabase, carbonatite, and lamprophyre completes the assemblage.

Mineralization

Gold production from the Surluga Property has been associated with quartz veins and silicification within shear zones. The character of these veins varies between locations, and appears to be related to the host rock type, width and intensity of shearing. The Jubilee Shear is a series of sub-parallel segments in en-echelon arrangement. The mineralization ranges from 6 m to 60 m in width where parts of the en-echelon zones overlap. The shear zone contains mostly sericitic or mylonitized wall rock with some sodic alteration. Gold rich zones in the Jubilee Shear are elongated and plunge to the south. They consist of poorly defined thin brown lenses of alteration, surrounding smokey to white quartz veins. These lenses are small, typically a few centimetres to 6 m wide, and carry 2-4% fine pyrite, and lesser amounts of arsenopyrite and copper. Gold bearing quartz veins are often banded, drag folded and deformed. They appear to be the oldest quartz vein component in the shear zone. Several generations of more abundant younger quartz veins are barren of gold, including the "pinto", or quartz-tourmaline veins. From these observations, Helmstaedt (1988) concluded that the deposition of the auriferous gold and the accompanying potassic alteration are distinctly earlier events that predated the ductile deformation stage of the Jubilee zone.

Deposit Type

The Surluga deposit is the product of an auriferous quartz rich hydrothermal system that has seen considerable post-deposition deformation. An early fault in the volcanic caldera was the site of hydrothermal deposition of an auriferous quartz stockwork. Post-deposition ductile shearing of the stockwork deformed the deposit into rod-shaped gold rich lenses. Later periods of additional movement along the Jubilee Shear resulted in salmon red alteration along fractures and local fault gouges. The significant body of low grade gold dispersed within the Jubilee Shear is likely the product of extensively deformed auriferous quartz veinlets from the original stockwork that have been extensively fractured and dislocated, and are no longer recognizable.

Exploration Work

In addition to the mining and exploration work summarized above, in 1998, the Ontario Geological Survey flew the Surluga Property as part of a helicopter-borne geophysical survey. Magnetic and three frequency electromagnetic data were recorded.

Mr. Peter Irwin of Resource Data Management Inc. ("RDM") compiled a three dimensional model of the Surluga mine for Citabar in 2004. RDM used the existing drill hole database, and digitized the mine levels from mine plans. Mineralized zones greater than 1 g Au/t were outlined. The model highlighted the potential for mineralization down plunge to the southeast of the existing mine workings. In 2007, Citabar drilled 9,282 m in 14

diamond drill holes to test the model. The Jubilee Shear appears to continue to dip to the east at depth, along the southern section of the shear. Augustine has re-logged and re-sampled the core and is currently incorporating the data into the updated geological model.

In January of 2011, 412 km of helicopter borne electromagnetic-magnetic survey were flown by Geotech Ltd using a VTEM® system (Figures 5 and 6). The lines were flown east-west at 100 m intervals, and tied together with north-south lines at 1,000 m intervals.

Drilling

Prior to 2007 exploration drilling along the Jubilee Shear consisted of 49,549 m of diamond drilling in 279 surface holes, and 48,768 m in 1,502 underground diamond drill holes. Most of the holes are documented on plans and sections that were drawn in the course of mine production. In addition, Augustine has been able to locate some surface drill hole collars where there are records of surface holes being drilled. This suggests good survey control of the historical drilling in the database. The underground workings are not currently accessible, so the quality of the underground drilling must be inferred from the quality of the available data, which seems to be good.

There were 12 diamond drill holes, and two wedged holes, drilled in the summer and fall of 2007. A total of 9,282 m of core was drilled. All the holes were NQ size, except for hole 07-393B which was reduced to BQ size because of problems with the wedging procedure. The drill holes targeted the down dip extension of the Jubilee Shear zone.

Down hole surveys were carried out 4 or 5 times in each hole, more often when wedging was being attempted. Deviation was within reasonable limits. Core logging was completed on site by three different geologists. Augustine has noted that there is a large discrepancy between the nomenclature used by each of the geologists, and proposes to relog and resample the core. A lack of storage space prompted Citabar to dispose of some of the core that was considered to be unmineralized.

In the spring of 2011, Augustine conducted an 18 hole drill program to verify the historical data on the Surluga claims. Five of the holes were set to target the mineralization around the Citadel Jubilee mine, while the remaining 13 holes were designed to twin existing diamond drill holes. Discovery Diamond Drilling Ltd. of Morinville AB was contracted to drill 2,944 m of NQ size core. The holes were surveyed every 10 m down the hole using a Flex- IT® down hole survey tool. The drill hole collar locations were located with a SXBlue WAS Area based GPS survey instrument. The core was transported by Augustine personnel by truck to the core shack in Wawa, where it was logged and sampled.

A summary of the compliant resource found in the WGM Report is provided below:

Cutoff	Tonnage	Au	Contained Au
Grade Au g/t	(t x 1,000)	(g Au/t)	(oz x 1,000)
5	378	7.69	94
2	4,651	3.33	498
1	12,503	2.11	847
0.5	22,355	1.49	1,072
0.2	32,169	1.14	1,182

On July 10, 2012, the Company announced that it has identified a number of specific targets that could increase the gold resource potential of its Wawa Gold Project. Previous and ongoing work demonstrates that there is potential to significantly increase the gold resource of the Surluga deposit along strike and down dip. In addition, recently completed work by Augustine has defined a new geological model, that when applied, demonstrates the presence of historically untested and poorly tested targets around the Surluga deposit and elsewhere within the

Wawa Gold Project, including the recently acquired Oakley Lake claims. The next phase of exploration and drilling will test these new targets with a view to substantially increasing the inferred gold resource.

On June 11, 2013, the Company announced its work plan aimed at enhancing the development of the Wawa Gold Project. Based on the latest geological modeling work, Management is increasingly confident that its previously announced NI 43-101 resource of 22.355 million tonnes at 1.49 grams per tonne gold containing 1.07 million ounces extends in both directions at shallow depths based on previous drill core and assay data that are being re-logged and sampled. As part of its phased exploration program outlined in the 25 October, 2012 NI 43-101 Technical Report, the Company plans to balance the continuing exploration program with qualification studies and targeted drilling to help assess the feasibility of putting the known gold resource into production.

SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected financial information from the Company's three most recently completed fiscal years:

ANNUAL INFORMATION	Year Ended November 30, 2013 (\$)	Year Ended November 30, 2012 (\$)	Year Ended November 30, 2011 (\$)
Total revenue	-	-	-
Net loss	(668,752)	(1,264,340)	(980,265)
Basic and diluted loss per share	(0.02)	(0.04)	(0.04)
Total assets	3,164,834	2,792,810	2,702,689
Total liabilities	1,219,650	726,986	245,677
Shareholders' equity	1,945,184	2,065,824	2,457,012

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table shows selected financial information related to the Company for the periods indicated. The information contained in this table should be read in conjunction with the Company's financial statements. An analysis of the information contained in this table is set out below under "Results of Operations" and "Liquidity and Capital Resources".

Three Months Ended	Total Revenues (\$)	Net Profit (Loss)		Total Assets (\$)	Total Long Term Liabilities (\$)
		Total (\$)	Per Share (\$)		
February 28, 2014	Nil	(130,272)	(0.00)	3,145,565	Nil
November 30, 2013	Nil	(117,872)	(0.00)	3,164,834	Nil
August 31, 2013	Nil	(133,510)	(0.00)	2,961,014	Nil
May 31, 2013	Nil	(232,558)	(0.01)	2,934,700	Nil
February 28, 2013	Nil	(184,812)	(0.01)	3,042,895	Nil
November 30, 2012	Nil	(373,799)	(0.01)	2,792,810	Nil
August 31, 2012	Nil	(187,391)	(0.01)	2,826,558	Nil
May 31, 2012	Nil	(321,878)	(0.01)	2,731,787	Nil

RESULTS OF OPERATIONS - FINANCIAL PERFORMANCE

The Company has no revenue or operating cash flow and relies on external financings to generate capital. As a result of its activities, the Company continues to incur net losses.

For the three month period ended February 28, 2014, the Company's net loss and comprehensive loss was \$130,272 (2013 period = \$184,812). The significant decrease in loss for the period was primarily due to lower management fees, salaries and share based payments expense. The Company expensed \$4,979 in depreciation (2013 = \$6,621), which is a non-cash expense. Directors' fees for the period were \$12,500 (2013 = \$14,500). General and administrative expenses decreased to \$8,748 (2013 = \$17,373), primarily due to lower business

activity. The Company recorded interest expense of \$5,638 (2013 = \$1,017) due to a higher amount of promissory notes outstanding. Management fees were \$30,000 (2013 = \$60,000) as management previously agreed to reduce their fees by 50% effective June 2013. During the period, the Company expensed \$8,200 for professional fees (2013 = \$8,310) due to corporate and commercial activities concerning the Company's mineral properties and capital raising efforts. The Company paid a net \$22,031 in rent and occupancy costs (2013 = \$6,662) reflecting the Company's new rent arrangement with its landlord effective October 1, 2013 as well as no longer having a subtenant contributing toward occupancy costs. Salaries and benefits were \$12,096 (2013 = \$20,129). The Company paid \$26,350 for shareholder services and public company costs (2013 = \$22,300). Stock based compensation expensed for options to directors, officers, employees and consultants for options that vested during the period amounted to \$nil (2013 = \$27,900) as no options were granted or vested during the 2014 period, which is a non-cash expense.

During the period ended February 28, 2014 and the year ended November 30, 2013, the Company expended and capitalized the following amounts in exploration expenses on its Wawa Gold Project:

	Period ended February 28, 2014 (\$)	Year ended November 30, 2013 (\$)
Consulting fees	25,000	61,625
Premises and accommodation	8,910	31,707
Travel	2,582	9,645
Claims taxes and fees	43,822	142,963
Miscellaneous	889	5,383
	81,203	251,323

LIQUIDITY AND CAPITAL RESOURCES

The Company is not in commercial production on any of its mineral resource properties, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

As at February 28, 2014, the Company had a working capital deficiency of \$1,218,636 (November 30, 2013 = deficiency of \$1,012,140) which included cash and cash equivalents of \$78,266 (year ended 2013 = \$163,189). The cash will be used to satisfy the Company's obligations under its option on the Wawa Gold Project (see "Commitments and Contingencies" below) and for routine administrative expenses.

During the year ended November 30, 2013, the Company received an aggregate of \$220,000 in loans evidenced by promissory notes. The loans received bear interest at rates of 8% per annum and are due on or before June 30, 2014. During the year ended November 30, 2012, the Company also received an aggregate of \$48,000 in loans also evidenced by promissory notes bearing interest at 8-9% per annum and were due on or before January 31, 2013. All of the notes remain outstanding and continue to accrue interest until repaid.

On February 7, 2013, the Company closed an offering of 800,000 Non Flow Through Units and 400,000 Flow Through Units at the price of \$0.10 per unit for gross proceeds of \$120,000. Each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each Flow Through Unit consisted of one flow through common share and one half warrant. Each whole warrant entitles the holder to purchase one common share of Augustine at an exercise price of \$0.20 per share at any time until February 7, 2015. Each warrant is subject to an accelerator clause whereby at Augustine's option, the holder must exercise their warrants within 30 calendar days in the event that Augustine's shares trade at or above \$0.40 per share for 15 consecutive trading days. The Company paid cash commissions and expenses of \$19,600 and issued 96,000 compensation warrants.

On February 28, 2013, Augustine closed a non-brokered private placement of 1,200,000 Flow Through Units at the price of \$0.10 per unit for gross proceeds of \$120,000. Each Flow Through Unit consisted of one flow through common share and one half warrant. Each whole Warrant entitles the holder to purchase one common share of Augustine at an exercise price of \$0.20 per share at any time until February 28, 2015. Each Warrant is subject to an accelerator clause whereby at Augustine's option, the holder must exercise their Warrants within 30 calendar

days in the event that Augustine's shares trade at or above \$0.40 per share for 15 consecutive trading days. No fees or commissions were paid in connection with this private placement.

On July 4, 2013, the Company closed an offering of 5,000,000 Non Flow Through Units and 1,000,000 Flow Through Units at the price of \$0.05 per unit for gross proceeds of \$300,000. Each Non Flow Through Unit consisted of one common share and one common share purchase warrant. Each Flow Through Unit consisted of one flow through common share and one half warrant. Each whole warrant entitles the holder to purchase one common share of Augustine at an exercise price of \$0.10 per share at any time until July 4, 2015. The Company paid cash commissions of \$37,068 and issued 480,000 compensation warrants.

Subsequent to the period ended February 28, 2014, on March 6, 2014, the Company closed on an offering of 4,305,000 flow-through units ("FT Units") at the price of \$0.05 per FT Unit and 945,000 non-flow-through units ("NFT Units") at the price of \$0.05 per NFT Unit for gross proceeds of \$262,500 on March 6, 2014. Each FT Unit consisted of one flow through share and one non-flow through warrant to purchase one common share of the Company exercisable at \$0.05 per share until March 5, 2017. Each NFT Unit consisted of one common share and one warrant to purchase one common share of the Company exercisable at \$0.05 per share until March 5, 2017. In connection with the financing, Augustine paid a cash commission of 8% of the funds raised and broker warrants in the amount of 8% of the FT Units and NFT Units issued through the offering. Each broker warrant allows the holder to acquire one NFT Unit of the Company at a price of \$0.05 per common share until March 5, 2017.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in obtaining financing in the past, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. The annual financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally imposed capital constraints.

COMMITMENTS AND CONTINGENCIES

Office leases

Effective September 3, 2013, the Company entered into an office license agreement ("License") to occupy its office premises located at 130 King Street West in Toronto. The term of the License is from November 1, 2013 to October 31, 2014 at a base rent of \$43,019 per annum, payable in equal monthly instalments of \$3,585, each in advance on the first day of each calendar month during the term.

As at February 28, 2014, the Company was committed to rent payments on office space as follows:

	<u>Amount (\$)</u>
Year ending November 30, 2014	<u>28,680</u>

Wawa property

Pursuant to the acquisition agreements of the Surluga property in 2010 and after giving effect to amendments to the Wawa Gold Property agreements (described below), the Company has the following remaining expenditures to earn its interest in the property:

	Common Shares (#)	Exploration expenditures (\$)	Cumulative interest earned
Upon completion of financing	(see below)		
June 30, 2014		2,306,166	60%
June 30, 2015		4,000,000	75%
		6,306,166	

The Company reached a further amending agreement dated March 18, 2013 (the "Second Amending Agreement") with Citabar Limited Partnership ("Citabar") to amend the previous Option Agreement. Under the Second Amending Agreement, the Company has an option to earn an undivided 60% interest in the Surluga Property from Citabar by expending an aggregate of \$4.0 million in eligible expenditures on or before November 30, 2013. Under the Second Amending Agreement, the Company also shall have the right to acquire an additional undivided 15% ownership interest on the Wawa Gold Project by expending an additional \$4.0 million in eligible expenditures (for an aggregate total of \$8.0 million in eligible expenditures) on or before June 30, 2015. In consideration for amending the Option Agreement, the Company shall, upon the closing of the recent announced \$3.5 million private placement, issue to Citabar such number of common shares of the Company that would result in Citabar owning, in the aggregate, 30% of the issued and outstanding common shares of the Company, excluding shares that Citabar and its affiliates already own. The issuance of the shares to Citabar is subject to any and all necessary regulatory and other approvals. On October 21, 2013, the Company reached a third amending agreement ("Third Amending Agreement") with Citabar to extend the November 30, 2013 to incurred the aggregate expenditure of \$4.0 million to June 30, 2014 and left other terms regarding the acquisition of the additional 15% ownership interest unchanged.

SHARE CAPITAL

As at April 24, 2014, the Company had the following outstanding share capital:

Common shares	47,276,790
Stock options	3,665,000
Warrants	13,350,000
Compensation warrants	2,096,000

Common shares summary:

Date		Number
November 30, 2012	Balances	33,376,790
February 7, 2013	Private placement	1,200,000
February 28, 2013	Private placement	1,200,000
July 4, 2013	Private placement	6,000,000
November 9, 2013	Issued for mining property	250,000
November 30, 2013	Balances	42,026,790
March 6, 2014	Private placement	5,250,000
April 24, 2014	Balance	47,276,790

Stock options summary:

Number	Exercise Price	Expiry Date
60,000	\$0.10	May 19, 2014
675,000	\$0.20	June 1, 2014
330,000	\$0.10	January 24, 2015
2,600,000	\$0.10	April 30, 2016

Warrants summary:

Issue Date	Number	Exercise Price	Expiry Date
March 22, 2012	1,000,000	\$0.25	March 21, 2016
February 7, 2013	1,000,000	\$0.20	February 7, 2015
February 28, 2013	600,000	\$0.20	February 28, 2015
July 4, 2013	5,500,000	\$0.10	July 4, 2015
March 6, 2014	5,250,000	\$0.05	March 5, 2017

Compensation warrants summary:

Issue Date	Number (a)	Exercise Price	Expiry Date
December 22, 2010	492,000	\$0.20	note (b)
February 8, 2011	312,000	\$0.20	note (b)
March 23, 2011	216,000	\$0.20	note (b)
March 22, 2012	80,000	\$0.25	March 21, 2016
February 7, 2013	96,000	\$0.10	February 7, 2015
July 4, 2013	480,000	\$0.05	July 4, 2015
March 6, 2014	420,000	\$0.05	March 5, 2016

- (a) These compensation options were issued in conjunction with private placements that occurred on those dates. Each compensation option entitles the holder thereof to acquire one Unit at their respective exercise price consisting of one common share and one common share purchase warrant.
- (b) For these 3 listed dates only, each compensation option entitles the holder thereof to acquire one Unit at an exercise price of \$0.20 per Unit (the "Unit") for a period of two years from the date that the Company completes either (i) a distribution to the public of common shares in Canada pursuant to a prospectus and the concurrent listing of the common shares for trading on a recognized stock exchange, or (ii) another transaction as a result of which all outstanding common shares, or the securities of another issuer issued in exchange for all such outstanding common shares, are traded on a recognized stock exchange and are freely tradable (subject to control block restrictions) (the "Liquidity Event").

Each Unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at \$0.40 expiring two years from the Liquidity Event.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements or obligations other than mineral property option payments and exploration expenditures commitments.

RELATED PARTY TRANSACTIONS

During the period ended February 28, 2014, the Company entered into the following transactions with related parties:

- (a) The Company paid or accrued fees to its senior officers totaling \$30,000 (2013 - \$60,000). Included in due to related parties are amounts of \$459,250 (2013 - \$367,510) due to current and former officers with respect of such fees. These amounts are non-interest bearing and are due on demand.
- (b) The Company accrued or paid directors fees totaling \$12,500 (2013 - \$14,500) to directors of the Company for their services as directors. Included in due to related parties are amounts of \$90,552 (2013 - \$127,350) due to current and former directors as a group with respect of such fees. These amounts are non-interest bearing and are due on demand.
- (c) During the fiscal year ended November 30, 2012, the Company received an aggregate of \$48,000 in loans evidenced by convertible promissory notes (the "2012 Notes") that were due on January 31, 2013 and for which the Company granted general security agreements in favour of the lenders. Pursuant to the terms of

the 2012 Notes, the holders could elect to convert some or all of the principal outstanding on or before their due date into units of the Company comprised of one common share and one common share purchase warrant. On their due date, the holders of the 2012 Notes elected to continue to receive interest on the 2012 Notes and not convert into units.

One of the 2012 Notes in the amount of \$13,000 is being held by the President and Chief Executive Officer of the Company and as such, is a related party to the Company. The remainder of the 2012 Notes totaling \$35,000 are held by two holders who are shareholders of the Company.

During the fiscal year ended November 30, 2013, the Company received an aggregate of \$220,000 in loans evidenced by convertible promissory notes (the "2013 Notes") that are due on June 30, 2014 and for which the Company has granted general security agreements in favour of the lenders.

One of the 2013 Notes in the amount of \$20,000 is being held by the President and Chief Executive Officer of the Company and as such, is a related party to the Company. The remainder of the 2013 Notes totaling \$200,000 are held by two holders who are shareholders of the Company.

As at November 30, 2012, the Company had a non-interest bearing loan of \$20,000 due to the Chief Executive Officer and such loan was repaid during fiscal 2013.

As at February 28, 2014, included in due to related parties are the following amounts for the outstanding 2012 and 2013 Notes:

	Amounts (\$)
Principal - 2012 Notes	48,000
Principal - 2013 Notes	220,000
Accrued interest - 2012 Notes	5,740
Accrued interest - 2013 Notes	5,977
	279,717

(d) Key management personnel compensation during the period is comprised of:

	February 28, 2014 (\$)	February 28, 2013 (\$)
Management fees (a)	30,000	60,000
Directors' fees (b)	12,500	14,500
Share based payments	-	23,147
	42,500	97,647

(e) From January 1, 2011 to July 31, 2012, the Company subleased its office space from Delta on a month to month basis at a rate of \$7,500 per month. At the time Delta was considered a related party to the Company due to reasons disclosed in Note 9. Effective August 1, 2012, the Company entered into a tenancy agreement whereby it agreed to assume the entire office space and therefore all obligations with respect to the office lease at a rate of \$10,701 per month. The office obligation was until July 31, 2013, at which time the Company had the option to extend the office lease for a further five years at a rate to be agreed upon between the Company and the landlord. Effective December 1, 2012, the Company entered into a sublease arrangement with an unrelated third party for the third party to occupy and therefore assume the remaining lease obligations at those premises (see note 16 - commitments).

(f) During the fiscal year ended November 30, 2012, the Company accrued a \$200,000 severance as a result of the termination of employment agreement with the former CEO of the Company. This amount is included as part of the overall compensation to the management and officer of the Company disclosed in part (a) above. The severance payment will occur in eighteen consecutive monthly installments of \$11,111 and will

begin immediately following the Company's next cumulative capital raises totaling \$2.5 million dollars, which as at February 28, 2014, has not yet been raised.

- (g) During the fiscal year ended November 30, 2013, directors and officers of the Company subscribed for a total of 2,700,000 units at the price of \$0.05 per unit for gross proceeds of \$135,000 (see note 11 - share capital and reserves).

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and evaluation industry, the Company continues to review property and competitor company information in search of future opportunities in terms of new property acquisitions and business partnerships. Although no transactions are in progress currently, the Company endeavours to continue research into potential opportunities and to keep business relationships open should opportunities arise.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ACCOUNTING POLICIES

Critical Accounting Estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (i) the recoverability of accounts receivable that are included in the statement of financial position;
- (ii) the recoverability of exploration and evaluation expenditures incurred on the Company's property interests;
- (iii) although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title and such properties may be subject to prior agreements or transfers and title may be affected by undetected issues;
- (iv) the estimated useful lives and residual value of property and equipment which are included in the financial statements and the related depreciation included in profit or loss;
- (v) the inputs used in accounting for share based payment transactions and in valuation of warrants included in financial assets at fair value through profit or loss;
- (vi) management's position that there is no income tax considerations required within these unaudited condensed interim financial statements; and
- (vii) management's judgment in determining the functional currency of the Company as Canadian Dollars.

Critical accounting judgments

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Restoration, rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental exposure, is based on the facts and circumstances that existed in the current and prior periods.

Going concern assumption - Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Accounting policies

Please refer to the Company's audited financial statements for a full discussion of its significant accounting policies.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2013 or later periods. Many are not applicable to or do not have a significant impact on the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- i) IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board. The standard is effective for years beginning January 1, 2018.
- ii) IFRS 11 - Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- iii) IFRS 12 - Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, subsidiaries, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- iv) IFRS 13 - Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.
- v) IAS 27 - Separate Financial Statements ("IAS 27") was reissued in May 2011 and is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. As the consolidation guidance will now be included in IFRS 10, IAS 27 will only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IAS 39 (or IFRS 9 if early adopted) Financial Instruments.

- vi) In October 2011, the IASB issued IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine. This interpretation requires the capitalization and depreciation of stripping costs in the production phase if an entity can demonstrate that it is probable future economic benefits will be realized, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. Retrospective application of this interpretation is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

FINANCIAL INSTRUMENTS AND RISK EXPOSURES

The Company's financial instruments consist of cash and cash equivalents, sundry receivables, accounts payable and accrued liabilities, and due to related parties.

Financial assets and financial liabilities were as follows:

February 28, 2014	Other liabilities (\$)	Loans and receivables (\$)	Assets/(liabilities) at fair value through profit/loss (\$)	Total (\$)
Cash and cash equivalents	-	-	78,266	78,266
Sundry receivables	-	33,751	-	33,751
Accounts payable and accrued liabilities	501,133	-	-	501,133
Due to related parties	829,520	-	-	829,520

November 30, 2013	Other liabilities (\$)	Loans and receivables (\$)	Assets/(liabilities) at fair value through profit/loss (\$)	Total (\$)
Cash and cash equivalents	-	-	163,189	163,189
Sundry receivables	-	38,829	-	38,829
Accounts payable and accrued liabilities	424,497	-	-	424,497
Due to related parties	795,153	-	-	795,153

The Company's activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk, interest rate risk and market risk, which includes commodity and equity price risks. Risk management is carried out by the Company's management with guidance from the Audit Committee. It is management's opinion that the Company is not exposed to significant credit risk, currency or market risks arising from the financial instruments.

Currency risk

As the majority of the Company's expenditures are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is mainly held through a chartered Canadian financial institution.

The majority of the Company's sundry receivable comprised sales tax refunds due from government authorities in Canada and deposits held with service providers in the form of advances. The tax receivable is in good standing and was not past due as of February 28, 2014. Management believes that the credit risk concentration with respect to this financial instrument is low.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. As at February 28, 2014, the Company has working capital deficiency of \$1,218,636 (November 30, 2013 - \$1,102,140). It is management's opinion that the Company is exposed to liquidity risk in that it had a working capital deficiency; however, it continues its discussions with its creditors to delay formal demands for payment of their receivables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Commodity price and equity price risk

The Company is not exposed to commodity price risk with respect to prices for gold and other precious metals because the Company is not in the production stage and the Company does not hold any of above commodities. The Company is also not exposed to equity price risk because it does not hold any investment in marketable securities that are subject to equity price fluctuation.

Sensitivity analysis

The Company believes the sensitivity to a plus or minus 1% change in interest rates would not have a significant impact on the reported net loss for the period ended February 28, 2014 because other than the related party loans, which have a fixed interest term, none of the Company's assets or liabilities bears interest.

RISK FACTORS

Natural resource sector

Investments in natural resource companies involve a significant degree of risk. The degree of risk increases substantially where the Company's properties are in the exploration as opposed to the development stage. The Company's property is in the exploration stage and is without a known body of commercial ore. The proposed exploration programs are for exploratory searches for ore.

Exploration and evaluation

Mineral exploration and evaluation involves a high degree of risk and few properties which are explored are ultimately developed into producing mines.

With respect to the Company's properties, should any ore reserves exist, substantial expenditures will be required to confirm ore reserves which are sufficient to commercially mine its current properties, and to obtain the required environmental approvals and permitting required to commence commercial operations. Should any resource be defined on such properties there can be no assurance that the mineral resources on such properties can be commercially mined or that the metallurgical processing will produce economically viable saleable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control.

The ability of the Company to sell, and profit from the sale of any eventual production from any of the Company's

properties will be subject to the prevailing conditions in the marketplace at the time of sale. The global ore marketplace is unregulated and subject to changing attitudes of consumers and other end-users on the basis of economic conditions. Many of these factors are beyond the control of the Company therefore represent a market risk which could impact the long term viability of Company and its operations.

Flow through shares of the Company

Flow through shares are intended to provide to the holders who acquire such shares certain Canadian income tax benefits as described herein. In the event that the Company does not incur sufficient expenditures as eligible CEE within the time specified in the agreements between the Company and such holders, such holders will not receive all or a portion of such benefits at all or for a particular taxation year when they expected to use such benefits. The factors that could contribute to the Company not incurring sufficient CEE include the potential lack of drilling equipment and the shortage of labour.

Capitalization and commercial viability

The Company will require additional funds to further explore and, if successful, develop and mine the Surluga Property and any additional properties that may be acquired. The Company may not have sufficient funds to carry out the completion of its exploration program, and may have to obtain other financing or raise additional funds. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all the activities of its exploration program, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and evaluation of its properties.

Title matters

While the Company has performed its own due diligence with respect to title of the Surluga Property, this should not be construed as a guarantee of title. The Surluga Property may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

Competition

Significant and increasing competition exists for mining opportunities internationally. There are a number of large established mining companies with substantial capabilities and far greater financial and technical resources than the Company. The Company may be unable to acquire additional attractive mining properties on terms it considers acceptable and there can be no assurance that the Company's exploration and acquisition programs will yield any new reserves or result in any commercial mining operation.

Conflicts of interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

No history of earnings

The Company has no history of earnings, and there is no assurance that the Surluga Property or any other mineral properties that it may acquire will generate earnings, operate profitably or provide a return on investment in the future. The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Company will be determined by its directors.

Potential profitability depends upon factors beyond the control of the Company

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control.

For instance, world prices of and markets for ore are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of ore may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Environmental risks and other regulatory requirements

The current or future operations of the Company require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Operating hazards and uninsurable risks

In the course of exploration, development and production of mineral properties, certain risks, including unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Company.

The Company is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company periodically evaluates the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Foreign countries and regulatory requirements

The Company may acquire properties located in other countries where mineral exploration activities may be affected by varying degrees of political instability and haphazard changes in government regulations such as tax laws, business laws and mining laws. Any changes in regulations or shifts in political conditions would be beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income

taxes, expropriation of property, environmental legislation, and mine safety.

Currency fluctuations

The Company maintains its accounts in Canadian currency. If the Company acquires properties in other countries, its operations may be subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company does not engage in currency hedging activities.

DISCLOSURE OF INTERNAL CONTROLS AND PROCEDURES

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

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SUBSEQUENT EVENTS

On March 6, 2014, the Company closed an offering of 4,305,000 flow-through units at the price of \$0.05 per flow-through unit and 945,000 non-flow-through units at a price of \$0.05 per unit for gross proceeds of \$262,500. The offering was completed pursuant to the financing arrangement with IBK Capital Corp. Each flow-through unit consists of one flow-through common share of Augustine and one non-flow through common share purchase warrant. Each warrant allows the holder to acquire one non-flow-through common share for a period of 36 months at an exercise price of \$0.05 per share. Each non-flow-through unit consists of one common share and one common share purchase warrant. Each warrant allows the holder to acquire one non-flow-through common share of Augustine for a period of 36 months at an exercise price of \$0.05 per share. In connection with the financing, the Company paid a cash commission of 8% of the funds raised and broker warrants in the amount of 8% of the flow-through units and non-flow-through units issued through the offering. Each broker warrant allows the holder to acquire one non-flow-through unit of the Company at a price of \$0.05 per common share until March 5, 2017.