

ASTORIUS RESOURCES LTD.
(“Company”)

**FIRST QUARTER MANAGEMENT DISCUSSION AND
ANALYSIS DATED FEBRUARY 26, 2015**

This Interim MD & A covers the Company’s first fiscal quarter ended December 31, 2014 - and the period to February 26, 2015. It is to be read in conjunction with the Company’s audited Financial Statements prepared as of September 30, 2014 and quarterly financial statements prepared as of December 31, 2014.

All amounts are expressed in Canadian dollars. The Company’s fiscal quarter which ended December 31, 2014, is hereinafter called the “Quarter” and the period between December 31, 2014 and February 26, 2015 is called the “Subsequent Period”.

1. Overall Performance

(a) Babine Lake Claims, British Columbia

The Company has, in the Quarter, maintained its Babine Lake claims – with the exception of five claims (which covered an area of 1,108 hectares) which were allowed to expire.

The Company now holds 30 claims covering a total of 5,604.1 hectares (approximately 13,848 acres).

The Company did no work on the claims during the Quarter or during the Subsequent Period.

(b) Financing

No financing was done during the Quarter or the Subsequent Period. As the Company is without funds Management is focusing its efforts on raising additional funding for the Company.

2. Summary of Quarterly Reports

The following information is provided for the Company’s last eight quarterly fiscal periods:

	Quarter Ended December 31/14 \$	Quarter Ended September 30/14 \$	Quarter Ended June 30/14 \$	Quarter Ended March 31/14 \$	Quarter Ended December 31/13 \$	Quarter Ended September 30/13 \$	Quarter Ended June 30/13 \$	Quarter Ended March 31/13 \$
(a) net sales or total revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(b) Gain (Loss) before Extraordinary items								
- total	(15,517)	(25,321)	(27,116)	(37,300)	(46,688)	(30,578)	(64,925)	(51,860)
- per share undiluted*	(0.0)	(0.0)	(0.0)	(0.00)	(0.0)	(0.0)	(0.0)	(0.0)
(c) Net Gain (Loss)								
- Total	(19,517) ⁽¹⁾	80,842	(37,782)	(37,419) ⁽¹⁾	(144,055)	(30,699)	(64,587)	(51,607)
- Per share diluted*	(0.0)	(0.0)	(0.00)	(0.01)	(0.0)	(0.01)	(0.0)	(0.0)

*As the effect of dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

(1) Because the Company allowed certain of the mineral claims it formerly held to expire – as is described in Clause 1(a) – the Company has written off in the Quarter a proportionate amount of the claim acquisition and exploration costs that the Company had previously incurred. This \$4,000 write-down expense is a non cash non-recurring expense. When added to the normal operating expenses of the Company it has resulted in the financial statements showing an aggregate loss for the Quarter of \$19,517.

3. **Results of Operation**

Because the Company had no regular income or business operations in the Quarter there can be no meaningful discussion and analysis of its financial performance during the Quarter of the sort that would be possible with a company with a developed operating business or regular income.

The Company's operating expenses for the Quarter were essentially in line with those of recent previous quarters which were not extraordinary or one-time expenses. Expenses – and losses – for the various quarters have varied based on the extent of the Company's activities and due to the posting in various quarters of expenses which do not occur on a regular basis.

4. **Liquidity**

As at December 31, 2014 the Company had \$3,194 in cash on hand (2013 - \$94,534) and a negative working capital of \$29,143 (2013- \$35,251). At February 25, 2015 it had approximately \$2,000 cash on hand.

5. **Transactions with Related Parties**

The Company terminated all of the previously existing related party relationships prior to the commencement of the Quarter. As a result the Company, during the Quarter and the Subsequent Period, has not had any Related Party expenses.

6. **Other MD & A Requirements**

(a) Additional information relating to the Company has been filed on SEDAR and is available at www.sedar.com.

(b) As the Company has not had any revenue from operations the following breakdown of general

and administration expenses is provided for the three month period ending December 31, 2014 with comparative figures at December 31, 2013.

	3 Months Ended December 31, 2014 \$	3 Months Ended December 31, 2013 \$
Management fees	-	15,000
Accounting and audit fees	14,500	17,500
Office and miscellaneous	262	8,347
Legal fees/disbursements	-	2,303
Filing and transfer agent fees	755	3,538
Totals:	15,517	46,688

- (c) The Company did not incur any exploration costs during the Quarter.
- (d) Outstanding share data at February 25, 2015:
- (i) The Company has 11,760,000 common shares issued. The shares are all voting shares and rank equally with each other.
- (ii) The Company has share purchase options outstanding as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
170,000	\$0.15	October 18, 2015
<u>800,000</u>	\$0.10	June 5, 2018
970,000		

- (iii) The Company has share purchase warrants outstanding as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
730,000	\$0.10	June 3, 2015

7. **Financial and Other Instruments**

The Company's financial instruments consist of cash, cash equivalents and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

8. Controls

(a) Evaluation of disclosure controls and procedures

Public companies are required to perform an evaluation of disclosure controls and procedures annually and to disclose management's conclusions about the effectiveness of these disclosure controls and procedures in its annual Management Discussion and Analysis. The Company has established, and is maintaining, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is disclosed in annual filings, interim filings or other reports, and is recorded, processed, summarized and reported within the time periods specified as required by securities regulations.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2013 and, given the size of the Company and the involvement at all levels of the Chief Executive Officer, and the Chief Financial Officer, believes that they are sufficient to provide reasonable assurance that the Company's disclosures are compliant with securities regulations.

(b) Internal controls over financial reporting "ICFR")

The Company's ICFR has material weaknesses as it effectively has only two people – the CEO and the CFO – working on financial record-keeping and reporting. As a result, the Company does not have the number of people/staff that would be necessary to segregate the various accounting and book-keeping functions that are performed. Notwithstanding these weaknesses it is not considered that they have any impact on the Company's financial reporting or ICFR. Due to the small size of the Company and its very limited funds there are no plans, or actions undertaken, to remediate the material weaknesses.

9. New Accounting Standards

Adoption of New and Revised Accounting Standards and Interpretations

The mandatory adoption of the following new and revised accounting standards on October 1, 2014 had no significant impact on the Company's financial statements for the periods presented.

- **IAS 32 'Financial Instruments: Presentation'** was issued by the IASB in December 2011 as an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.
- **IAS 36 'Impairment of Assets'** was issued the IASB in May 2013 to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset's or a CGU's recoverable amount is based on fair value less costs of disposal.
- **IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets'**: In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue

generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

- **IFRIC 21 ‘Levies’** was issued by the IASB in May 2013 as an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”), on the accounting for levies imposed by government. 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 of a result of a past event (“obligating 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.

The Company has not early adopted the following standards and amendments and anticipates that the application of these standards and amendments will not have a material impact on the financial position and financial performance of the Company:

- **IFRS 15 ‘Revenue from Contracts with Customers’:** In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”) which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017.
- **IFRS 9 ‘Financial Instruments: Classification and Measurement’** is a new financial instruments standard that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

10. International Financial Reporting Standards (“IFRS”)

Securities regulators and the Canadian Accounting Standards Board edicted that all public Canadian companies had to adopt and comply with IFRS effective January 1, 2011. The Company adopted IFRS effective October 1, 2011. Accordingly the financial statements for the Quarter were prepared in accordance with the requirements of IAS 34.