



CLEGHORN MINERALS LTD.

(A Capital Pool Company)

Management's Discussion and Analysis for the three months ended June 30, 2014.

Introduction

The following Management's Discussion and Analysis ("MD&A") reviews the financial position and results of operations of Cleghorn Minerals Ltd. (the "Company") for the first quarter ended June 30, 2014. It should be read in conjunction with the unaudited financial statements for the period ended June 30, 2014 and audited financial statements for the year ended March 31, 2014 and notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts herein are expressed in Canadian Dollars unless otherwise indicated.

Information related to the Company may also be found on www.sedar.com.

The following information is prepared as at August 26, 2014.

Forward-Looking Statements

Certain statements and information related to the Company's business contained in this MD&A are of a forward-looking nature. They are based on opinions, assumptions or estimates made by Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. The readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not be relied on any forward-looking statements.

Company Overview, Overall Performance and Nature of Business

The Company was incorporated on February 16, 2010, pursuant to the provisions of the Business Corporations Act of British Columbia and is a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSX Venture Exchange (“Exchange”). The Company’s head office is located at 152 Chemin de la Mine École in Val-d’Or, Québec, J9P 7B6, Canada.

In March and May 2010, the Company’s four founding directors subscribed for an aggregate of 3,200,000 common shares (the “Seed Shares”) at \$0.10 per share for gross proceeds of \$320,000 (2,200,000 shares for gross proceeds of \$220,000 on March 31, 2010 and 1,000,000 shares for gross proceeds of \$100,000 on May 17, 2010), of which 1,600,000 Seed Shares have been cancelled as more particularly described below. On November 10, 2010 the Company closed its initial public offering consisting of 2,800,500 common shares at a price of \$0.20 per share for gross proceeds of \$560,100.

Raymond James Ltd. acted as agent for the offering and received a cash commission of \$56,010, a corporate finance fee of \$12,000 and warrants to acquire up to 280,050 common shares of the Company at a price of \$0.20 per share exercisable until November 16, 2012. The agent’s warrants expired on November 16, 2012 without having been exercised. Trading on the Exchange commenced on November 16, 2010 under the symbol “JZZ.P”.

The Company’s principal business activity as a CPC is to evaluate businesses and assets with a view to completing a qualifying transaction (“Qualifying Transaction”) in accordance with Exchange Policy 2.4. See “Qualifying Transaction” below.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction.

Qualifying Transaction

On October 9, 2012, the Company entered into a Mineral Claim Purchase Agreement (the “Purchase Agreement”) with Globex Mining Enterprises Inc. (“Globex”) to acquire Globex’s 100% ownership interest in the mineral claims located on the Hematite Lake Property in the Labrador Trough in Northern Québec.

The transaction was subject to receipt of final Exchange approval and the completion of a private placement of the Company for gross proceeds of a minimum of \$3,000,000.

On May 2, 2013, after the Company was not able to complete the associated private placement financing, which was a condition precedent to completing the proposed acquisition, the Company terminated the Purchase Agreement with Globex. The Company forfeited \$50,000 paid to Globex as a non-refundable deposit and paid, as agreed, the cost of the airborne survey completed by Globex on the Hematite Lake Property. The Company is continuing its search to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction.

The Company's 24 month deadline to complete its Qualifying Transaction was November 16, 2012. As the Company had not completed a Qualifying Transaction by that date, the Exchange notified the Company that the Company's shares were suspended from trading on the Exchange and placed the Company on notice to delist. To avoid being delisted, the Company made an application to (and sought shareholders' approval for) transfer to NEX, a separate board of the Exchange that provides a trading forum for listed companies that have fallen below the Exchange's continued listing requirements. The Company's shares commenced trading on NEX effective February 21, 2013.

On November 12, 2012, the Company sought and obtained shareholder approval for the cancellation of an aggregate 1,600,000 common shares held by directors, officers and their associates. These 1,600,000 shares, representing 50% of the seed shares, were cancelled effective February 14, 2013. For additional details, please see the Company's Management Information Circular dated October 15, 2012 filed on SEDAR at www.sedar.com.

The amounts spent by the Company towards identifying and completing potential Qualifying Transactions, are shown in the following table. Preliminary investigation and identification of potential Qualifying Transactions were performed by the officers and directors of the Company who do not receive any remuneration. Technical consultants are hired for more in-depth analysis of potential projects.

Amounts spent towards identifying and completing potential Qualifying Transaction by period:

	Up to March 31, 2014	Quarter ended June 30, 2014	July 1, 2014 to the date of this MD&A	Cumulative amount as of the date of this MD&A
	\$	\$	\$	\$
Non refundable deposits	50,000	-	-	50,000
Legal fees	26,739	-	-	26,739
Technical consultants	76,528	4,623	19,650	100,801
Airborne survey (1)	146,967	-	-	146,967
Travel and transportation	8,197	-	-	8,197
Other expenses	4,220	39	-	4,259
Tax credit (1)	(68,506)	-	-	(68,506)
Total	244,145	4,662	19,650	268,457

Discussion of Operations for the First Quarter ended June 30, 2014

During the first quarter ended June 30, 2014, the Company incurred a loss of \$14,081, compared to a loss of \$24,908 in the quarter ended June 30, 2013. Expenses incurred to identify potential Qualifying Transactions amounted to \$4,662 or 33% of the current quarter loss, compared to \$9,722 or 39% for the first quarter ended on June 30, 2013. The current expenses are detailed in the Qualifying Transaction section above. The current loss also includes professional fees of \$9,361, which are made of audit, tax and accounting fees of \$8,320, and expenses related to regulatory and transfer agent fees of \$1,041. Bank fees totaled \$58. For the quarter ended on June 30, 2013, professional fees amounted to \$15,282 and were comprised of audit, tax and accounting fees of \$10,400, legal expenses of \$1,345, and expenses related to regulatory and transfer agent fees of \$3,537. Bank fees of \$22 were offset by interest income of \$118.

Review and Summary of Quarterly Results

The table below presents selected quarterly information for the last eight quarters. For all the eight quarters presented in the table below, the only significant expense categories, which accounts for over 90% of the income or losses reported are the expenses related to potential Qualifying Transactions and professional fees. Professional fees are comprised of audit, accounting, tax and legal fees as well as regulatory and transfer agent costs. Professional fees paid to technical consultants hired to evaluate potential Qualifying Transactions or related to Qualifying Transactions, are included in the expenses related to potential Qualifying Transactions.

The details of the amounts spent by the Company to evaluate potential Qualifying Transactions are presented in a table under the section "Qualifying Transaction" of this report.

	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013	Quarters ended on		Dec 31, 2013	Mar 31, 2014	Jun 30, 2014
				Jun 30, 2013	Sep 30, 2013			
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (18,847)	\$ (33,877)	\$ (275,146)	\$ (24,908)	\$ (22,673)	\$ (11,830)	\$ 64,328	\$ (14,081)
Net income (loss) per share, basic and diluted	\$ (0.007)	\$ (0.012)	\$ (0.099)	\$ (0.009)	\$ (0.008)	\$ (0.004)	\$ 0.023	\$ 0.005
Major expense (income) categories								
Office expenses	\$ 244	\$ 343	\$ -	\$ -	\$ -	\$ 52	\$ 83	\$ -
Professional fees	\$ 18,585	\$ 11,838	\$ 6,240	\$ 15,282	\$ 15,295	\$ 8,689	\$ 3,646	\$ 9,361
Related to Qualifying Transaction		\$ 222,759	\$ 67,180	\$ 9,722	\$ 7,330	\$ 2,749	\$ (65,595)	\$ 4,662

Liquidity and Capital Resources

As at June 30, 2014, the Company had cash of \$32,101 and term deposits of \$275,000 for a total of \$307,101 and working capital of \$296,261 compared to cash of \$37,095, term deposits of \$275,000 and working capital of \$310,342 as at March 31, 2014.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. The Company's capital is composed of its shareholders' equity. The Company is not subject to any externally imposed capital requirements.

As at June 30, 2014, the shareholders' equity amounted to \$296,261 compared to \$310,342 as at March 31, 2014, the increase resulting from the \$4,917 net income realized during the year.

The Company's investment policy is to keep its cash treasury on deposit (cash and short term deposits) in a Canadian chartered bank account.

The Company anticipates it has enough capital resources to satisfy its general working capital requirements for the next twelve-month period.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements as at June 30, 2014, or as at the date of this report.

Commitments and Proposed Transactions

As at June 30, 2014, and as at the date of this report, the Company did not have any commitments outstanding. There are no other proposed transactions that would materially affect the performance or operation of the Company.

Related Party Transactions

The Company did not enter into any related party transactions during the period ended June 30, 2014.

Capital Stock, Warrants, Options and Escrowed Shares

Authorized

Unlimited number of common shares, without par value, voting and participating.

Unlimited number of preferred shares, without par value, non-participating. The directors will define the rights, privileges, restrictions and conditions of these shares upon issuance.

Issued and fully paid

3,200,000	common shares (Seed Shares)
(1,600,000)	common shares (Seed Shares) cancelled ⁽¹⁾
<u>2,800,500</u>	common shares (Initial Public Offering November 10, 2010)
4,400,500	common shares
Nil	preferred shares
475,000	stock options to purchase common shares
(125,000)	stock options expired ⁽²⁾
<u>4,475,500</u>	Total Share Capital on a fully diluted basis

NOTES:

⁽¹⁾ 1,600,000 common shares representing 50% of all the seed shares issued to the founders of the Company were cancelled effective February 14, 2013 in anticipation of the transfer of the Company's common shares to NEX. For more details about the transfer of the shares to NEX, please refer to the Qualifying Transaction section of this report.

⁽²⁾ These stock options expired 90 days after the resignation of Dr. Arthur Porter from the Board of Directors, in accordance with their terms.

The Company issued 3,200,000 Seed Shares (of which 1,600,000 Seed Shares were cancelled as referred to above), to the founders of the Company, in consideration of \$320,000. The balance of the Seed Shares are subject to an escrow agreement pursuant to which, 10% of the Seed Shares will be released from escrow on the Exchange announcing final acceptance of a Qualifying Transaction. This initial release will be followed, every six months, by an additional release of 15% of the Seed shares.

An additional 25,000 common shares, acquired by a director and his close relatives, as part of the initial public offering, were deposited in escrow and are subject to the same escrow provisions as the Seed Shares. As of June 30, 2014, the Company has a total of 1,625,000 common shares in escrow.

The Company has adopted a stock option plan in accordance with the policies of the Exchange pursuant to which it has granted options to purchase common shares to directors, officers and technical consultants. The options will be exercisable at the price set by the board of directors and for a period of up to ten years from the date of grant. The Company has entered into stock option agreements with its directors at the completion of the offering granting them options to acquire 475,000 shares (of which 125,000 options have expired in accordance with their terms), exercisable at \$0.20 per share until November 16, 2020. Any common shares acquired pursuant to the exercise of options prior to the completion of a Qualifying Transaction must be deposited in escrow. The value of these stock options has been estimated to \$85,753 using the Black-Sholes model and expensed in stock based compensation (counterpart in Contributed surplus).

As at June 30, 2014, the weighted average number of common shares outstanding was 2,800,500. The Seed Shares are excluded from the weighted average number of shares outstanding because they are considered as contingently issuable shares until the qualifying transaction occurs.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The main risk related to credit risk is through cash which is managed by dealing with one reputable financial institution.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Company has financing sources such as bank loans for a sufficient authorized amount. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfill its obligations. Accounts payable and accrued liabilities are due within less than 90 days. The fair value of these financial instruments approximates their carrying value given their short-term maturity date.

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Critical Risks Inherent to the Company's Business

Investing in the Company, at this early stage of its development, is of a highly speculative nature. The Company was only recently incorporated, has no commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and some of them are or will be engaged in other projects or businesses that could give rise to potential conflicts of interest. There is no assurance that there will be an active and liquid market for the Company's common shares. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions. The Company's shares were transferred to NEX effective February 21, 2013. There can be no assurance that the Company will complete its Qualifying Transaction and again be listed on the Exchange.

Subsequent Events

There are no subsequent events to report.

Additional Information

Additional information relating to Cleghorn Minerals Ltd. is available for viewing through the Internet under the Company's issuer profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.