AMERICAN CUMO MINING CORPORATION
(FORMERLY MOSQUITO CONSOLIDATED GOLD MINES LIMITED)

Management's Discussion and Analysis
March 31, 2013

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of American CuMo Mining Corporation ("CuMoCo") together with its subsidiaries (collectively, the "Company") is prepared as of May 29, 2013 and should be read in conjunction with the Company's interim condensed consolidated financial statements and notes for the nine months ended March 31, 2013 ("YTD-2013") and the Company's audited consolidated financial statements and notes for the year ended June 30, 2012 ("fiscal 2012").

The Company's financial statements are reported under International Financial Reporting Standards ("IFRS"). The Company's reporting currency is the Canadian dollar and all figures in this MD&A are in Canadian dollars unless otherwise indicated.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

CuMoCo is a Canadian mineral exploration and development company that has historically focused on identifying, acquiring and developing natural resource opportunities of merit in Canada and the United States. The Company's flagship project is the CuMo molybdenum project (the "CuMo Project"), located in Idaho, in the United States.

CuMoCo's common shares are listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "MLY" and on the OTCQX Stock Exchange in the United States under the trading symbol "MLYCF".

ELECTION OF A NEW BOARD OF DIRECTORS AND CORPORATE REORGANIZATION

At the Company's contested special meeting of shareholders held on October 16, 2012, (the "Meeting"), the shareholders of the Company approved the election of a new board of directors (the "Board"). Each member of the Board was proposed for election by a group of concerned shareholders and received votes in favour representing over 2/3 of the votes cast by proxy.

Subsequent to the Meeting, the Board appointed new officers of the Company and received funds pursuant to a convertible debenture financing of approximately $3,000,000 (see **LIQUIDITY AND CAPITAL RESOURCES**). New management has devoted considerable efforts to understanding the state of the Company and its financial affairs and has taken steps to secure equipment, terminate all non-core business operations, establish controls and procedures and start the process of disposing of vehicles and other equipment that are not required to advance the development of the CuMo Project.

Management has determined to focus the Company's activities towards advancing the CuMo Project forward. CuMoCo is the main priority and efforts are being concentrated on restoring the credibility and professionalism of the CuMo Project with stakeholders and other interested groups. The Company successfully completed its federally authorized exploratory drilling program for the 2012 season with encouraging results. At this advanced exploration stage, work is now transitioning from outlining the shape of the deposit to obtaining the detailed information required to make informed decisions for project development. CuMoCo is engaged in an active 2013 exploration program.

In December 2012, shareholders of the Company approved a corporate rebranding and the Company changes its name to American CuMo Mining Corporation.

OVERALL PERFORMANCE

In the three months ended March 31, 2013 ("Q3-2013") the Company recorded a net loss of $733,218 or $0.01 per share, compared to net earnings of $2,574,771 or $0.03 per share in the quarter ended March 31, 2012 ("Q3-2012"). Results in Q3-2012 were not indicative of normalized operations, as the Company recorded in that quarter a gain on sale of unproven mineral right interests of $5,145,999.

The Company's cash balance and working capital at March 31, 2013 were $696,956 and $937,808, respectively, compared to cash of $2,291,209 and working capital of $2,241,509 on June 30, 2012.

EXPLORATION PROJECTS

The Company's flagship project is the CuMo Project, located in Idaho, in the United States. The Company's Boise property, also located in Idaho, is contiguous to and provides access to the CuMo Project.

The Company has other unproven mineral right interests in the United States and in Canada, which have been either optioned to other exploration companies, or written down to a nominal carrying value.

CUMO PROJECT

The CuMo Project is situated in the mountains of south-central Idaho, approximately 15 miles northeast of the town of Idaho City. Good all-weather highway and logging roads provide easy access to the project from Idaho City. The Project consists of eight unpatented mineral claims.

Geologically, the Project is situated along the northeast trending Trans-Challis Structural Zone in a complex assemblage of Tertiary age felsic dykes and stocks that intrude quartz monzonite of the Idaho batholith. Between 1973 and 1981 Cyprus Amax Minerals Company ("Amax") drilled 26 holes totaling 30,821 feet and in 1982, produced a computer generated Kriged block model for the project.

In 1997, the Project was acquired by Cumo Molybdenum Mining Inc., who in 2004 optioned it to the Company. The terms of the option agreement called a combination of advance royalty payments, 300,000 CuMo shares (issued) and work requirements, as outlined below.

1. Advance royalty payments:

   - US$10,000 upon signing (completed);
   - US$10,000 after 60 days (completed);
   - US$5,000 after 6 months (completed);
   - US$20,000 1st year anniversary (completed);
   - US$20,000 2nd year anniversary (completed);
   - US$15,000 3rd year anniversary (completed);
   - US$15,000 every 6 months thereafter (up-to-date).

   These payments are to be credited against a 1.5% net smelter return ("NSR") which reduces to 0.5% NSR after cumulative payments of US$3,000,000.

2. Work requirements:

    - US$25,000 during the first year (completed);
    - At least US$50,000 each year thereafter (up-to-date).

In November 2009 CuMoCo announced the results of an independent NI 43-101 compliant Preliminary Economic Assessment ("PEA") managed by Ausenco Minerals Canada Inc. ("Ausenco"), a Vancouver-based engineering firm with corporate headquarters in Brisbane, Australia.

In April 2011 the Company announced an updated NI 43-101 compliant indicated and inferred resource estimate for the Project which significantly expanded the overall mineral resource and further confirmed that CuMo is the largest un-mined open pit accessible primary molybdenum project. Snowden Mining Industry Consultants, an independent internationally recognized mineral industry consultant, calculated the estimate. At the request of the TSX-V, due to minor deficiencies with the certificates and consents of some of the Qualified Persons on the report, the resource report was re-filed in July 2012. The re-filed report contained no changes to the resource numbers, the only changes in the report were in respect of some of the responsibilities and declarations.

In May 2012 the Company initiated a 15,000 foot diamond drilling program to further explore the Project. A total of six holes have been completed to date.

In September 2012 the United States District Court - Idaho District (the "Court") decided in favor of the United States Forest Service ("USFS") and its Finding of No Significant Impact ("FONSI") at the Project. The USFS had been challenged by local environmental groups over its Environmental Assessment determination for CuMo. The Court noted the USFS had developed insufficient baseline data on groundwater quality and directed the USFS to undertake further analysis concerning groundwater and to prepare additional National Environmental Policy Act studies or to provide a reasonable explanation as to why exploration impacts would be insignificant. The USFS subsequently directed the Company to suspend work that might have groundwater interaction, including drilling. The Company is currently working to resolve this matter.

During Q3-2013, the Company continued to advance the necessary studies and assessments required for delivery of CuMo's supplemental Environmental Assessment, targeted for the first half of July 2013.

BOISE PROPERTY

On July 8, 2010, the Company entered into an option agreement, amended on July 5, 2011, to purchase certain mineral claims that included surface rights located in Boise County, Idaho. These patent mineral claims are contiguous to and provide access to the CuMo Project. In order to maintain the option in good standing, the Company was required to make option payments of US$ 1,200,000. These payments have been completed and the Company has obtained title to the Boise property, which becomes part of the overall CuMo Project.

PINE TREE PROPERTY

The Pine Tree property consists of 61 claims (510 hectares) located in the Pilot Mountains, Mineral County in western Nevada. The primary target on the property is a copper-molybdenum-rhenium porphyry deposit, with potential gold, silver and tungsten by-products.

In 2005 the Company entered into an option agreement to purchase the Pine Tree property through a combination of advance royalty payments that are currently $25,000 per year until a total of US$2,000,000 (the "NSR Royalty") has been paid after which a 2% NSR shall be reduced to 0.5%, share payments totaling 300,000 shares of the Company (completed) and an exploration commitment of US$450,000 (completed).

On June 25, 2010 (the "Effective Date"), the Company entered into an option agreement with IEMR Resources Inc. (formerly, Trans National Minerals Inc.) ("IEMR"). Pursuant to the agreement, IEMR acquired an option to purchase a 100% interest in the Pine Tree property. In order to maintain the option in good standing, IEMR is required to make the following payments and share issuances to the Company:

	Cash payments	**Common shares**
On the Effective Date (completed)	$ 200,000	1,000,000
On or before the first anniversary of the Effective Date (completed)	200,000	1,000,000
On or before the second anniversary of the Effective Date (completed)	200,000	1,000,000
On or before the third anniversary of the Effective Date	200,000	1,000,000
On or before the fourth anniversary of the Effective Date	200,000	1,000,000
Total	$1,000,000	5,000,000

In addition, IEMR must incur aggregate exploration and development expenditures on the property of $3,000,000 on or before the fourth anniversary of the Effective Date, subject to minimum expenditures of $500,000 incurred each year on or before the anniversary of the Effective Date (up-to-date).

During the option period, IEMR will also be responsible for making advance royalty payments of US$25,000 per year to the holders of the NSR Royalty. All payments are presently current and the agreement is in good standing.

BLACKPOINT PROPERTY

The Blackpoint gold-silver property covers an area of 410 hectares in Eureka County, Nevada. The property is located northeast of the past producing Ruby Hill Gold Mine. The Company completed limited exploration work on this property and during the fiscal year 2008, management wrote down the carrying value of the property to a nominal amount.

On August 24, 2011, the Company finalized an agreement with Urastar Gold Corp. ("Urastar") to sell a 100% interest in the Blackpoint property.

Pursuant to the agreement, Urastar could earn a 100% interest in Blackpoint by making the following cash and share payments to the Company:

	Cash payments (US$)	Common shares
On signing of Letter of Intent (completed)	$ 25,000	Nil
At Closing (completed)	225,000	250,000
Year 1 from Closing	350,000	250,000
Year 2 from Closing	1,000,000	250,000
Year 3 from Closing	1,500,000	250,000
Year 4 from Closing	2,500,000	250,000
Year 5 from Closing	4,400,000	250,000
Total	$10,000,000	1,500,000

Urastar terminated this agreement during the quarter ended September 30, 2012 and returned the Blackpoint property to the Company.

OTHER UNITED STATES PROPERTIES

Spruce Mountain Property: In 2006 the Company signed a purchase agreement for 53 patented claims on Spruce Mountain, Elko County, Nevada. The property covers a large molybdenum porphyry system containing silver, rhenium and copper. The carrying value of the property was written down to a nominal value during the fiscal year ended June 30, 2010.

Motley Property: In 2007 the Company entered into an agreement to purchase four unpatented claims located in the state of Idaho. The carrying value of the property was written down to a nominal value during the fiscal year ended June 30, 2009.

Spring Creek Property: Between 2007 and 2008 the Company staked several claims in Montana and Idaho that adjoin the Motley property, collectively the Spring Creek Project. The carrying value of the property was written down to a nominal value during the fiscal year ended June 30, 2010.

Copper Chief Property: In 2007 the Company staked 40 claims known as the Copper Chief property in Mina, Nevada, approximately 4 miles north of Pine Tree property. The carrying value of the property was written down to a nominal value during the fiscal year ended June 30, 2010.

CANADIAN PROPERTIES

Cariboo: The Company was originally formed to establish a mining complex on the former producing mines known as Island Mountain Mine and Cariboo Gold Quartz Mine, located near Wells, in British Columbia. In 1994 an agreement was reached with Barkerville Gold Mines Limited ("Barkerville") under which the Company granted to Barkerville the right to earn a 50% in the Cariboo property.

In December 2011, the Company entered into an agreement to sell to Barkerville all residual property interests owned by the Company in the Cariboo property for $5,000,000.00. These interests included a 50% Interest in the Cariboo Gold Quartz property, placer mining rights on CuMo Creek and a 3% Net Smelter Return royalty on the Cariboo Gold Quartz Mine property, Island Mountain Mine property and CuMo Creek Mine property.

In January 2012, Barkerville paid the $5,000,000 amount to the Company, who recorded a gain on disposal of unproven mineral right interests of $4,992,448 after adjustments to capitalized expenses associated with the property, as the carrying value of the property had been impaired to a nominal value of $1 in prior fiscal years.

Brett Claim Group: In 2003 the Company completed an agreement to acquire a 100% interest in the Brett #1 and Brett #2 mineral claims located in the Vernon Mining District of British Columbia for a consideration of 500,000 shares of the Company. In 2004, Running Fox Resource Corp. ("Running Fox") and the Company entered into an option agreement on the Brett property whereby Running Fox earned a 50% interest in the property in 2004. The carrying value of the property was written down to a nominal value during the fiscal year ended June 30, 2008.

In 2011, the Company entered into an agreement with Running Fox whereby the Company sold to Running Fox, subject to a NSR, the Company's remaining 50% interest in the Brett property. Consideration for this transaction consisted of a cash payment of $1,000,000 and 3,000,000 common shares of Running Fox. In addition to this consideration, the Company retains a sliding-scale royalty on the property based on the price of gold as follows:

- Gold price up to $500 per ounce: 2% NSR;
- Gold price between $501 and $1,000 per ounce: 3% NSR;
- Gold price between $1001 and $1,500 per ounce: 5% NSR;
- Gold price between $1501 and $2,000 per ounce: 6% NSR;
- Gold price over $2,001 per ounce: 8% NSR.

Laverty: In 2004 the Company acquired a 100% interest in 1156207 Ontario Ltd. for $80,000 with the vendor retaining a 1% NSR. 1156207 Ontario Ltd. holds a 100% interest in two groups of patented mineral claims known as the Laverty property, located in Red Lake, Ontario and the Cummins property, located near Larder Lake, Ontario. The carrying value of the property was written down to a nominal value during the fiscal year ended June 30, 2008.

By way of an option agreement dated January 26, 2009, and amended on March 11, 2009, the Company optioned the Laverty property to Mega (formerly Skybridge Development Corp. ("Skybridge")) in consideration of cash payments of $500,000, 250,000 shares of Skybridge, 500,000 shares of Mega and a $1,500,000 exploration expenditures commitment. During the quarter ended March 31, 2013, Mega completed the commitments and all consideration due to the Company pursuant to this option agreement.

The Company retains a 2% NSR on ore mined from the property. Given that the property had been written-down to a nominal value, the cash and share consideration received on the property are recognized through earnings.

During the nine months ended March 31, 2013, cash payments of $100,000 and 200,000 Mega shares valued on receipt at $48,000 were received by the Company, who recorded a gain on disposal of unproven mineral right interests of $148,000.

During the year ended June 30, 2012, cash payments of $100,000 and 100,000 Mega shares valued on receipt at $46,000 were received by the Company, who recorded a gain on disposal of unproven mineral right interests of $146,000.

Cummins: The Cummins property consists of 5 patented mineral claims located in McElroy Township, near Larder Lake, Ontario. The Company has a 100% interest in the project and has not performed any work to date.

OTHER ASSETS

In 2007 CuMoCo acquired Kirkness Diamond Drilling Co., Inc. ("Kirkness") of Carson City, Nevada for US$3 million. The purchase was made because there was a shortage of drilling services in North America which limited the Company's ability to conduct its exploration programs. The Kirkness drills have been historically used for various Company projects. In fiscal 2012 the Company incorporated Kirkness Drilling Mexico S.A. de C.V. ("Kirkness Mexico") to perform drilling services in Mexico. The Kirkness and Kirkness Mexico drills have also been used in client contracts where Kirkness and/or Kirkness Mexico have acted as diamond drill contactors.

RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2013

The Company recorded a net loss of $733,218 or $0.01 per share in Q3-2013 (Q3-2012: net earnings of $2,574,771 or $0.03 per share). Results in Q3-2012 were not indicative of normalized operations, as the Company recorded in that quarter a gain on sale of unproven mineral right interests of $5,145,999.

The level of expenses in Q3-2013 has started to normalize following four quarters of substantial expenditures associated with the Company's disputed shareholder meeting of 2012, except in the case of consulting and professional fees which in Q3-2013 include the costs of an ongoing forensic audit on prior operations.

The Company incurred operating expenditures associated with securing and safeguarding drilling equipment of $62,190 in the quarter. In Q3-2012, the Company generated drilling revenue of $335,699 and direct drilling costs of $171,301.

The Company incurred general and administrative expenses of $845,642 in Q3-2013 (Q3-2012: $2,686,523). The most significant general and administrative expenses in Q3-2013 were consulting and professional fees of $217,914 (Q3-2012: $330,227), salaries and management fees of $190,503 (Q3-2012: $52,500) and shareholder communications and regulatory expenses of $131,244 (Q3-2012: $72,233). In Q3-2012 the Company incurred a substantial share-based expense of $1,742,543. Share-based expense was recorded in connection with the fair value of options vesting in each period.

Under Other Items, in Q3-2013 the Company recorded a gain on sale of unproven mineral right interests of $148,000 (Q3-2012: $5,145,999), a gain on sale of equipment of $47,474 (Q3-2012: $nil) and other income of $15 (Q3-2012: $87). In Q3-2012 the Company also recorded an impairment expense on unproven mineral right interests of $49,190.

Other comprehensive income of $15,714 (Q3-2012: loss of $262,998) included an unrealized loss on investments of $93,001 (Q3-2012: $252,039) and a cumulative translation adjustment of $108,715 (Q3-2012: ($3,959)).

Comprehensive loss in Q3-2013 was $717,504 (Q3-2012: comprehensive income of $2,311,773).

Additions to unproven mineral right interests in Q3-2013 were $242,533 (Q3-2012: $410,734). A summary of additions to unproven mineral right interests in Q3-2013 and Q3-2012 is provided below:

	Q3-2013	Q3-2012
CuMo Project		
Acquisition costs and payments	-	30,222
Community relations	32,954	-
Drilling		403,420
Engineering	6,500	-
Geology and professional services		- 238,181
Environmental studies	177,859	365,115
Assays	25,220	20,004
Other exploration costs		- 226,091
	242,533	354,489
Other properties		
Other exploration costs	-	56,245
Total additions in period	242,533	410,734

RESULTS OF OPERATIONS – NINE MONTHS ENDED MARCH 31, 2013

The Company recorded a net loss of $3,239,237 or $0.04 per share in YTD-2013 (YTD-2012: net earnings of $945,751 or $0.01 per share). The variance was mainly the result of a gain on sale of unproven mineral right interests of $5,459,058 recorded by the Company in YTD-2012.

The Company recorded revenue of $575,932 in YTD-2013 (YTD-2012: $3,632,869, most of the revenue was from drilling services. In connection with providing these services the Company incurred direct costs of $503,883 (YTD-2012: $2,927,608), resulting in gross profit of $72,049 in YTD-2013 (YTD-2012: $705,261).

The Company incurred general and administrative expenses of $3,403,802 in YTD-2013 (YTD-2012: $5,169,465). The most significant general and administrative expenses in YTD-2013 were consulting and professional fees of $1,368,040 (YTD-2012: $751,746), shareholder communications and regulatory expenses of $657,090 (YTD-2012: $249,648) and salaries and management fees of $329,177 (YTD-2012: $157,500).

Under Other Items, in YTD-2013 the Company recorded a gain on sale of mineral right interests of $148,000 (YTD-2012: $5,459,058), a loss on sale of investments of $64,795 ($nil in YTD-2012), a gain on sale of equipment of $14,986 ($nil in YTD-2012) and an impairment of mineral right interests of $5,760 ($nil in YTD-2012).

Other comprehensive loss of $34,765 (YTD-2012: $439,807) included an unrealized loss on investments of $99,560 (YTD-2012: $403,208), a $64,795 transfer from other comprehensive loss to net loss on the sale of an investment ($nil in YTD-2012) and a cumulative translation adjustment of $32,742 (YTD-2012: ($36,599)).

Comprehensive loss in YTD-2013 was $3,241,260 (YTD-2012: comprehensive income of $505,944).

SUMMARY OF QUARTERLY RESULTS

	QUARTERS ENDED			
	March 31, 2013	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
	$	**$**	**$**	**$**
Revenue	(20,875)	198,870	397,937	175,216
Net loss	(733,218)	(2,003,568)	(502,451)	(783,479)
(Loss) earnings per share [(1)]	(0.01)	(0.02)	(0.01)	(0.01)
	March 31, 2012	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**
	$	**$**	**$**	**$**
Revenue	335,699	2,277,083	1,019,367	363,747
Net (loss) earnings	2,574,771	(1,266,699)	(362,321)	(3,188,045)
(Loss) earnings per share [(1)]	0.03	(0.03)	(0.00)	(0.03)

[1] Presented on an undiluted basis

Substantial volatility exists in respect of revenue from drilling services depending on the number of contracts available to the Company and the timing of delivery of services associated with those contracts. Volatility in earnings exists also in respect of material one-off transactions such as disposals and/or impairment of unproven mineral right interests.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2013, the Company had working capital of $937,808, compared to $2,241,509 at June 30, 2012, including a cash balance of $696,956 (June 30, 2012: $2,291,209).

Trade and other receivables increased to $504,879 at March 31, 2013, compared to $365,039 at June 30, 2012.

At March 31, 2013, the Company had drilling supplies inventory of $565,305 (June 30, 2012: $473,076) and prepaid expenses and deposits of $71,259 (June 30, 2012: $197,266).

Within current assets, the Company held investments valued at $317,665 (June 30, 2012: $437,430). The decrease in investments was associated with depreciation in market value of the securities held by the Company as investments.

Trade and other payables were $1,143,748 at March 31, 2013, compared to $1,452,373 at June 30, 2012. The Company also had borrowings of $57,757 (June 30, 2012: $53,200) from a working capital loan extended by a supplier of transportation services to Kirkness Mexico, and unearned revenue associated with drill contracts of $16,751 (June 30, 2012: $16,938).

In order to finance the ongoing development of the CuMo project the Company has borrowed from International Energy & Mineral Resources Investment (Hong Kong) Company Limited ("HK CO") the principal amount of $1,500,000 and US$1,500,000, and issued a secured convertible note (the "Note") in respect of such indebtedness to HK CO (the "Financing").

The Note has face values of $1,500,000 and US$1,500,000, and matures in October 2017 (the "Maturity Date"). The Note accrues interest at a rate of 6.5% per annum, calculated and paid annually. At the option of HK CO the Note shall be convertible at any time prior to the Maturity Date, in whole or in part, into common shares of the Company at a price of $0.28 per common share, provided that HK CO shall only be permitted to exercise such conversion right to the extent that it results in HK CO holding no greater than 19.9% of the issued and outstanding common shares of CuMoCo.

On issuance, the relative face value of $297,394 attributed to the equity conversion features of the Note was classified as an equity component of the convertible debt. The debt component will be accreted systematically to its face value over the term of the note by the recording of additional interest expense.

The debt component of the Note is calculated as the present value of the debt and required interest payments are discounted at a rate approximating the interest rate that would have been applicable to non-convertible debt at the time the notes were issued.

HK CO is a "Related Party" of the Company pursuant to the policies of the TSX-V, as HK CO holds approximately 16.12% of the issued and outstanding common shares of CuMoCo. As such, the Financing constitutes a "Related Party Transaction" under the policies of the TSX-V. The Company has relied on exemptions from the formal valuation and minority approval requirements which are available to the Company.

The Financing was unanimously approved by the Board of Directors of the Company, other than a director who declared his interest in the Financing and abstained from voting with respect to the Financing as he holds a controlling interest in HK CO. If the principal amount of the Note is converted to the full extent possible, HK CO will increase its shareholdings in the Company from 13,256,666 common shares (approximately 16.12% of the issued and outstanding common shares) to 16,370,226 common shares (which would represent approximately 19.9% of the issued and outstanding common shares), assuming that no additional common shares of CuMoCo are issued prior to such conversion.

Exploration activity in the Company's projects and general and administrative overheads in Q3-2013 were funded from cash at hand.

The Company is in the exploration stage and has a limited source of net operating cash flow derived from providing drilling services. The Company's ability to continue operations is contingent on its ability to obtain funds through the future issuance of securities.

Operating Activities

Cash used in operations YTD-2013, including the changes in non-cash working capital items, was $2,767,525 (YTD-2012: $1,591,728).

Investing Activities

Cash used in investing activities YTD-2013 was $1,870,352 (YTD-2012: cash provided by investing activities of $2,425,685). Investing activities YTD-2013 included expenditures on unproven mineral right interest of $1,627,171 (YTD-2012: $2,375,243), acquisition of mineral right interests of $460,151 (YTD-2012: $423,512), purchases of property plant and equipment of $88,335 (YTD-2012: $334,449), proceeds from sale of investments of $68,205 in YTD-2012, proceeds from the sale of property, plant and equipment of $237,100 (YTD-2012: $nil) and proceeds from the sale of mineral right interests of $100,000 (YTD-2012: $5,558,889).

Financing Activities

Cash received from financing activities YTD-2013 was $2,995,442, from the convertible notes described earlier in this section of the MD&A. YTD-2012, cash received from financing activities consisted of proceeds of $1,801,392 from a private placement described in the following paragraph and $159,750 received from the exercise of share options.

On August 25, 2011, CuMoCo completed a non-brokered private placement consisting of 2,490,649 units (the "Units") in CuMoCo at a price of $0.75 per Unit, for gross proceeds of $1,867,687. Each Unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company until August 25, 2014, at an exercise price of $0.85. The fair value of the warrants issued in this private placement was $174,345, determined using the residual method.

The Company incurred cash share issue costs of $103,654 in connection with the private placement.

Agents were paid an aggregate fee of $66,296, 102,986 share purchase warrants exercisable at $0.85 for three years and 14,592 units, comprised of one share and one share purchase warrant exercisable at $0.85 for three years. The fair value of the warrants for the units was $1,021, determined using the residual method. The fair value of the 102,986 share purchase warrants was estimated at $40,285 using the Black-Scholes pricing model. The assumptions used for the valuation of the warrants were a risk-free interest 1.17%, volatility of 91%, dividend of $nil, exercise price of $0.85 per share and expected life of the warrants of 3 years.

TRANSACTIONS WITH RELATED PARTIES

YTD-2013 the Company paid or accrued $259,261 in salaries and management fees (YTD-2012: $333,266) to directors and officers, former directors and officers and to companies related to directors, officers and former directors and officers of the Company.

Included in the accounts payable and accrued liabilities balance at March 31, 2013 are $48,037 due to officers and directors of the Company (June 30, 2012: 147,715).

Amounts due to and from related parties are non-interest bearing, unsecured and have no fixed terms of repayment. These transactions were in the normal course of operations and were measured at fair value as determined by management.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are summarized in Note 3 of its audited consolidated financial statements for the year ended June 30, 2012. The preparation of consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements.

The Company regularly reviews its estimates; however, actual amounts could differ from the estimates used and, accordingly, materially affect the results of operations.

Examples of significant estimates include:

- Carrying values of mineral right interests;
- Carrying values of equipment and depreciation rates for equipment;
- Valuation of deferred income taxes and allowances;
- Assumptions used to assess impairment of mineral right interests and equipment;
- Valuation of share-based payments.

Examples of significant judgments, apart from those involving estimates, include:

- The accounting policies for mineral right interests and equipment;
- Classification of financial instruments;
- Determination of functional currency.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES

The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements and information contained herein. The risks sets out below include those that are widespread and associated with any form of business and those that are specific risks associated with the Company's business and its involvement in the exploration and mining industry generally, and in the United States in particular. Shareholders and prospective investors should carefully consider, in light of their own financial circumstance, the factors set out herein.

Global Financial Conditions

Global financial conditions in recent years have been characterized by high levels of volatility. Access to financing has been negatively impacted by many factors as a result. This may impact the Company's ability to obtain financing in the future at all, or on reasonable terms. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

Fluctuation of Commodity Prices

The Company's exploration and other mining activities have previously been, and may in the future be, significantly adversely affected by declines in commodity prices. Commodity prices are volatile and are affected by numerous factors beyond the Company's control such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major mining countries throughout the world. Any future serious drop in commodity prices or sustained low commodity prices could adversely impact the Company's future revenues, profits and cash flows. In particular, sustained low, or further reductions in, commodity prices could:

- reduce or eliminate the Company's ability to finance the exploration of existing and future mineral projects;
- force the Company to lose its interest in, or to sell, all or some of its properties;
- halt or delay the development of existing or new projects; and
- reduce the value of the Company's securities.

Furthermore, declining or sustained low commodity prices could impact the Company's operations by requiring a reassessment of the feasibility of any existing or new projects. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Dependence on Third Party Financing

The Company has limited access to operational cash flow. As a result, the Company will continue to depend on third party financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time and upon the ability of a company without any significant projects already in production to attract significant amounts of debt and/or equity. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. Failure to obtain sufficient financing, as and when required, may result in a delay or indefinite postponement of exploration or development on any or all of the Company's properties.

Currency Risk

The Company maintains most of its working capital in Canadian dollars. The Company currently operates in the United States, Canada and Mexico and its operating costs are incurred in a combination of United States dollars, Canadian dollars or Mexican pesos. Accordingly, the Company is subject to fluctuations in the rates of currency exchange between these currencies. The Company has not hedged its exposure to currency fluctuations.

Economic and Political Instability in Foreign Jurisdictions

The Company currently operates in Canada, the United States and Mexico. There are risks to conducting business in foreign countries. These risks may include, among others, invalidation of governmental orders and permits, uncertain political and economic environments, sovereign risk, war, civil disturbances, arbitrary changes in laws or policies, the failure of foreign parties to honour contractual relations, delays in obtaining or the inability to obtain necessary governmental permits, authorizations and consents, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on exports, instability due to economic under-development, inadequate infrastructure and increased financing costs.

In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by any foreign government or by the court system of a foreign country. These risks may limit or disrupt the Company's operations, restrict the movement of funds or result in the deprivation of mining related rights or the taking of property by nationalization or expropriation without fair compensation.

Mineral Exploration

Mineral resource exploration is highly speculative, involves substantial expenditures, and is frequently unsuccessful. Few prospects that are explored are ultimately developed into producing mines. To the extent that the Company continues to be involved in exploration, the long-term success of its operations will be related to the cost and success of its exploration programs. There can be no assurance that the Company's exploration efforts will be successful.

The success of exploration is determined in part on the following factors:

- the identification of potential mineralization based on superficial analysis;
- availability of prospective land;
- availability of government-granted exploration and exploitation permits;
- the quality of management and geological and technical expertise; and
- the capital available for exploration and development.

Substantial expenditures are required to determine if a project has economically mineable mineralization. It could take several years to establish proven and probable mineral reserves and to develop and construct mining and processing facilities. As a result of these uncertainties, there can be no assurance that current and future exploration programs will result in the discovery of mineral reserves and the development of mines.

Dilution

The Company does not generate any revenues from production and does not have sufficient financial resources to undertake by itself all its planned exploration programs. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Further exploration programs will depend on the Company's ability to obtain additional financing which may not be available under favorable terms, if at all. If adequate financing is not available, the Company may not be able to commence or continue with its exploration programs or to meet minimum expenditure requirements to prevent the full or partial loss of its mineral right interests. Also, failure to meet the Company's share of costs incurred under joint venture arrangements to which it may be a party may result in a reduction of its interests in mineral right interests. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete the recommended programs.

Resource Estimates

The mineral resource estimates presented herein are made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance estimates will be accurate. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves. Different experts may provide different interpretations of resource estimates.

Operating Hazards and Other Uncertainties

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;
- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Company's financial position and results of operations.

Limitations on the Transfer of Cash or Other Assets

The Company is a Canadian company that conducts operations through subsidiaries and joint ventures in the United States and Mexico, and substantially all of the Company's assets consist of equity in these entities. Accordingly, any limitation on the transfer of cash or other assets between the Company and these entities, or among these entities, could restrict the Company's ability to fund its operations efficiently.

Permitting Requirements

Mining exploration and operations require many permits from federal, state and local governments. These permits may not be issued on a timely basis or at all, and such permits, when issued, may be subject to requirements or conditions with which it is burdensome or expensive to comply. Furthermore, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future changes to operations, or additional permits associated with new legislation.

Government Regulation

Mineral businesses are subject to regulation and intervention by governments in such matters as the imposition of specific exploration, drilling and development obligations; environmental protection controls and control over the development and abandonment of resource (including restrictions on production). As well, governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of commodities. Such regulation may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the minerals industries could reduce demand for commodities produced, increase the Company's operating costs and have a material adverse impact on the Company.

Environmental Risks

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. There is no assurance that the Company will have or be able to obtain all necessary environmental approvals, licenses, permits or consents or be in compliance therewith or that notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) will not occur. The lack of or inability to obtain any such approvals, licences, permits or consents or any breaches of environmental laws, may result in penalties including fines or other sanctions, breach of the conditions of a mining concession or other consent or permit with possible revocation of the concession, consent or permit. In this regard, environmental hazards may exist on the properties in which the Company has an interest which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically.

Litigation Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Company's financial position and results of operations.

Competition

The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious or base metals. The majority of these companies have greater financial resources, operational experience and technical capabilities. As a result, there can be no assurance that the Company will be able to compete successfully against other companies in acquiring new prospecting, development or mining rights.

Title Matters

The Company periodically confirms the validity of its title to, or contract rights with respect to, each mineral property in which it has a material interest. However, the Company cannot guarantee that title to its properties will not be challenged. The Company's mineral properties could be subject to prior unregistered agreements, transfers or claims, and title could be affected by, among other things, undetected defects. In addition, the Company might be unable to operate its properties as permitted or to enforce its rights with respect thereto.

Community Relations and Social License

Advancing a mineral deposit to commercial production involves the understanding of local communities. "Social license" is a broad term used to describe community acceptance of a proposed development project, a condition that is commonly required for the issuance of final permits and project financing. The Company believes that communities should benefit from mining projects, from the exploration stage through mine operation and closure. While there cannot be guarantees that local communities will want a mine in the area where the Company's core project is located, the Company will work towards implementing a strategy it considers appropriate to accomplish this.

Insurance Coverage Could Be Insufficient

While the Company maintains certain insurance to protect against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. Losses from these events may cause substantial delays and require significant capital outlays, adversely affecting future financial performance and results of operations.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of the Company. The Company's success is dependent to a great degree on its ability to attract and retain qualified management personnel. The loss of such key personnel, through incapacity or otherwise, would require the Company to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. The Company does not maintain key person insurance in the event of a loss of any such key personnel. Also, certain management personnel of the Company are officers and/or directors of other publicly-traded companies and will only devote part of their time to the Company.

Additionally, the Company has relied on and is expected to continue relying upon consultants and others for exploration expertise. In the event a commercial ore deposit is discovered on any of the Company's right interests, the Company will likely require the expertise of such consultants and others for the development and operation of a producing mine.

Conflicts of Interest

Certain of the directors and officers of the Company are directors or officers of other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such matter. Furthermore, in appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

FORWARD-LOOKING INFORMATION

This document contains statements that constitute forward-looking information under applicable Canadian securities laws, such as those relating to results of operations and financial condition, capital spending, financing sources, commodity prices, mineral resources and property evaluation plans and programs. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking information is based on the opinions and estimates of management at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The forward-looking information contained in this MD&A is as of the date of this document, and is subject to change after this date. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. CuMoCo disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

OTHER MD&A REQUIREMENTS

As of May 29, 2013, the Company had outstanding 82,262,446 common shares, 2,608,227 share purchase warrants with an exercise price of $0.85 per share and 3,950,000 share options, with exercise prices ranging from $0.35 to $0.80 per share. Additional information is available on SEDAR at www.sedar.com and at the Company's website www.CuMogold.com.