Background

This Management’s Discussion and Analysis (“MD&A”), prepared as of November 28, 2013, should be read in conjunction with the unaudited condensed consolidated financial statements (“financial statements”) and the notes thereto of Concordia Resource Corp. (the “Company”) for the twelve months ended September 30, 2013, and the audited annual consolidated financial statements and the notes thereto of the Company for the year ended September 30, 2012, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board. Refer to Notes 2, 3, and 19 of the audited consolidated financial statements for the year ended September 30, 2012, for disclosure of the Company’s significant accounting policies.

Company Overview

Concordia Resource Corp. (“Concordia” or the “Company”), formerly Western Uranium Corporation, was incorporated under the British Columbia Business Corporations Act on February 7, 2000. On April 5, 2011, the Company changed its name to Concordia Resource Corp. and changed the trading symbol on the TSX Venture Exchange to CCN. The Company’s corporate office is located at Suite #1100 – 355 Burrard Street, Vancouver, BC, Canada, V6C 2G8. The Company is a natural resource company engaged in the acquisition and exploration of resource properties. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

All amounts are expressed in thousands of Canadian dollars, unless otherwise stated. All weight and linear amounts are presented as is and are not in thousands.

Significant Events

On October 1, 2013, the Company announced a significant corporate reorganization (the “Reorganization”). Pursuant to the Reorganization, the Company will:

• consolidate its issued and outstanding common shares on a 5:1 basis (the “Consolidation”);
• after the Consolidation, spin out its Providencia and Cerro Amarillo properties and an estimated $5,000 into its newly incorporated subsidiary Meryllion Resources Corporation, and will distribute shares in Meryllion to its shareholders (the “Spin-out”);
• issue 1,667 post-Consolidation and post-Spin-out shares and pay $750 to Bugeco S.A. for their rights to 15% interest in Ambase (joint venture with Anglo American plc) and 10% interest in Ebende (joint venture with HPX TechCo Inc. “HPX TechCo”) projects, both in Democratic Republic of the Congo (“DRC”) (the “DRC Property Purchase”). This acquisition will increase Concordia’s interest in Ambase to 30% and in Ebende to 20%;
• issue 106,489 post-Consolidation and post-Spin-out shares equivalent to 85% of its post-transaction issued and outstanding common shares to HPX TechCo, an innovative mineral exploration company that employs its proprietary geophysical exploration technologies (the “HPX TechCo Technology Cluster”) to identify and expand mineral discoveries. In exchange, Concordia will receive (i) $5,000 in cash; (ii) an 80% interest in the Ebende Project in the Democratic Republic of Congo (DRC); (iii) an assignment of an option to earn an interest in the Fairholme copper-gold exploration project located in Condobolin, Australia, currently held by HPX TechCo; (iv) a $5,000 line of credit; and (v) will enter into a service agreement providing it with the right to deploy the HPX TechCo Technology Cluster (the “Service Agreement” and together with the items (i), (ii), (iii) and (iv), the “HPX TechCo Consideration”).

On October 25, 2013, the British Columbia Supreme Court granted an interim order approving the calling of a special meeting of security holders to approve the Plan of Arrangement. The special meeting of security holders is to be held on November 29, 2013.
Significant Events (continued)

In September 2013, the Company completed the sale of 28,540 common shares of Western Lithium for net proceed of $2,740. The sale concludes the Company’s obligations under the Sale and Purchase agreement between the Company and Western Lithium, where the Company agreed to dispose of its common shares in the capital of Western Lithium to such persons as identified by management of Western Lithium as strategic investors.

On December 18, 2012, the Company announced the start of drilling on its Ebende Project in the Democratic Republic of Congo (“DRC”). The exploration program is targeting nickel, copper, cobalt and platinum-group elements and is funded and operated by Concordia’s joint venture partner, High Power Exploration Inc. (“HPX”). To date, HPX has completed five core holes, an airborne magnetic survey over the southern licenses of Concordia’s Ebende Project, a stream sampling program, geological mapping, and gravity and IP geophysical traverses, and a petrographic study on portions of the cores from three of the five drill holes.

Trends and Outlook

Upon closing of the Reorganization, Concordia’s focus will be on the application of the new, state-of-the-art HPX TechCo geophysical technologies to gain a competitive advantage in its exploration initiatives on selected prospects in some of the world’s emerging mineral belts. Concordia will secure 100% ownership in the Ebende Project in the DRC, an option to earn up to 95% interest in the Fairholme Project in Australia and additional $5 million cash and $5 million in available capital for the advancement of its projects. Concordia’s shareholders will also receive shares in Meryllion Resources Corporation, a well-funded exploration company that will be listed on TSX-V and will continue the advancement of the Providencia and Cerro Amarillo properties in Argentina.

Benefits of the Reorganization include:

- Creating a well-funded company with strong backing to pursue and develop projects, and leverage the HPX TechCo technological expertise for growth;
- Receiving a cash injection of $5 million and line of credit for additional $5 million;
- Obtaining access to HPX TechCo’s technology cluster, allowing the Company to deploy proprietary geophysical technology and team of analytical exploration geophysicists;
- Consolidating 100% ownership of the Ebende Ni-Cu-Co-PGM Project;
- Acquiring an option to earn up to 95% interest in the Fairholme copper-gold porphyry exploration project, located in New South Wales, Australia, a mining-friendly jurisdiction;
- Spinning out the Company’s current Argentinian portfolio of projects into a new, South American focused explorer, Meryllion Resources Corporation, and distribution of shares in Meryllion to the Company’s current shareholders.

Resource Properties

Through the Company’s wholly-owned subsidiaries, Swala Resources Inc. (“Swala”), Meryllion Minerals Corporation (“Meryllion”), and Western Energy Development Corp. (“WEDC”), the Company has mineral exploration concessions in Africa, Argentina and the US.

A description of each of the properties is provided as follows:

Africa

Concordia has access to an extensive exploration portfolio in Africa through the acquisition of Swala. As well as managing the two projects in Burkina Faso; Kerboulé and Guéguéré, the Company has two joint ventures (“JVs”) in the Democratic Republic of Congo, managed by the JV partners and has made applications for five licences in Mozambique.
Africa (continued)

During the quarter ended September 30, 2013 wrote off to $Nil the Kerboulé property exploration and evaluation asset acquisition cost of $14,212. In its decision to write off Kerboulé’s acquisition costs, the Company considered the proposed Reorganization and the exploration focus of the Company post-Reorganization on Ebende and Fairholme properties and deploying HPX TechCo Technology Cluster for identifying and discovering new mineral deposits.

Kerboulé, Burkina Faso

In April 2009, Swala entered into a joint venture agreement with SearchGold Resources Inc. (“SearchGold”) to “earn-in” a 65% interest in two licenses, the ‘Araé’ and ‘Gassel Manéré’, covering a total of 399.5 km², that are registered in the name of Societe Miniere de Kerboulé (SMK) sarl in Burkina Faso, a company wholly owned by Gazelle Resources Inc. in the British Virgin Islands. In July 2010 Swala and SearchGold agreed for Swala to acquire 100% of Gazelle Resources Inc., in consideration for Swala shares. In addition Swala took over SearchGold’s commitment to pay a Net Smelter Royalty (“NSR”) of 3% to Somika (the local Burkina Faso company from whom SearchGold had originally acquired rights to the tenements). Half of this NSR may be acquired for US$1,500.

The property is located on the northern border of Burkina Faso. The license area is situated within a twenty kilometer structural corridor along the Inata shear zone, a regional north-northeast trending structure containing the Inata gold deposit.

The project lies almost entirely within the Palaeoproterozoic basement comprised of the Birimian-aged Djibo belt of the central domain. The Djibo belt is predominately composed of a north-south striking sequence of mafic and/or intermediate to felsic volcanic rock intercalated with an argillaceous sedimentary rock. Gold mineralization on the property occurs primarily associated with quartz veining and attendant hydrothermal alteration. There are numerous orpailleage (artisanal diggings) sites on the property, and historical exploration programs that included geochemical sampling, trenching and drilling, have identified at least six areas with gold mineralization, including the Kerboulé-Yaléma trend extending over 5 kilometers, in the southern part of the licenses.

The Kerboulé Project has a number of significant gold-bearing structures. The Company has outlined broad zones of mineralization at Kerboulé South, Kerboulé North, Kerboulé Main and Yaléma. While the vehicle-mounted auger sampling program was generally successful in delineating additional, zones of anomalous gold, the proposed focus of the Company after the Reorganization has led to the decision to suspend this program pending a re-evaluation of it exploration strategy with regard to this project.

Guéguéré, Burkina Faso

During the first quarter of 2011, Swala acquired from SearchGold the rights to earn into two prospective licenses in Southern Burkina Faso; the “Zogyon” and “Oronkua” which together cover 500 km². SearchGold originally acquired 100% of the rights to this property from Somika, who will retain a 2% NSR, and this right continues under the new arrangement. Half of the NSR (or 1%) may be purchased at a price of US$1,000 in one payment or in two equal payments of US$500 each. Swala can acquire an interest of up to 80% in Guéguéré. Upon the completion of a NI43-101 compliant bankable feasibility study, SearchGold will participate in the development costs or will be diluted pro-rata in its interest. Swala will be the project operator and a technical committee will be established to overview the development work to be executed on the property. In the event of commercial production, both parties agree to be diluted by the 10% Burkina Faso state free carry participation pro-rata to their respective interest in the project.

The Guéguéré property is located 180 km south west of Ouagadougou, Burkina Faso’s capital, in the Boromo Birimian greenstone belt between the past producing Poura mine and Orezone Resources’ Bondi project.
Guéguéré, Burkina Faso (continued)

The north-north-east trending Boromo greenstone belt consists primarily of Birimian meta-sediments and metavolcanics, intruded by mafic and ultramafic plutonic bodies and granitoids. On Guéguéré, these various formations host quartz veins and are transected by numerous lineaments.

Democratic Republic of Congo (“DRC”) JVs

The Company is party to two separate joint ventures involving 23 licenses in the north-west portion of Katanga Province of DRC. These licenses were part of the assets owned by Swala and were brought into the Company at that acquisition. The Company’s interest in these licenses is what belonged to Swala, which is shared equally with Bugeco SA, a Belgium based exploration company, as per a preexisting agreement between Swala and Bugeco.

The licenses cover a significant northwest-trending geologic feature (Bongo) which is approximately 250 km in length, and over 20 km in width, and presents as a strong geophysical anomaly and has surface geochemical expressions of base and PGE metals. Bongo is interpreted to be a Neoproterozoic-aged (approximately 800 Ma), complex mafic-ultramafic volcanic-plutonic and sedimentary sequence within a gentle synformal structure. The stratigraphy is not well understood but includes flood and intrusive basalts, and marine and continental sediments, and is likely age-correlative to, and has characteristics in-common with, the Upper Roan or Mwashya Subgroups which host the Central African Copperbelt in the DRC and Zambia; likewise, Bongo has characteristics in-common with the Noril’sk intrusions which host world-class magmatic Ni-Cu-PGE deposits. Traces of sulfides, including pyrite, chalcopyrite, bornite and covellite have been found locally in the feature.

Of the two joint-ventures, the southern-most project, called “Ambase” project, comprises six of the licenses; the remaining 17 licenses cover the “Ebende” project on the northern extension of the Bongo feature. Exploration is focusing on numerous targets within the Bongo feature as identified by airborne magnetics, anomalous copper, and coincident, nickel-cobalt-platinum-group element occurrences.

Ambase Joint Venture

The Ambase joint venture is with Anglo American plc. The Company now shares equally in a 30% carried interest with Bugeco, as a result of a decision during 2011 to not-participate in funding exploration here. Anglo American is managing the JV and solely responsible for all expenditures through to a decision for feasibility study.

During the 2012 field season, Anglo American embarked on an intensive regional mapping and sampling program that covered the entire tenement area of 2,271 km². A total of 13,900 geochemical samples were collected during regional geologic mapping. Fugro Air completed a regional airborne geophysical survey over portions of the Ambase JV which included magnetic, electromagnetic, and radiometric data. A total of 10,700 line-km were flown, covering roughly 1,900 km² on a 200 mline spacing. Integration and interpretation of the databases led to the compilation of a regional geological/structural map.

The Ambase JV has been targeting potential sediment-hosted Cu mineralization; however, the recent exploration results found that in addition to the sediment-hosted Cu potential, several magmatic Ni-Cu-PGE targets were identified. Targets are hosted by both Kibaren basement as well as Mbuji Mayi Super Group of Neoproterozoic age. Up to 510 ppm Cu, and 260 ppm Ni in soils are associated with intrusive plugs adjacent to larger structures. Follow-up targets for sediment-hosted Cu mineralization were picked on the basis of soil geochemical data and structural analysis of an interpreted basin. The target horizon is distinctly anomalous in soil geochemistry and can be traced over more than 50 km along strike. Up to 500 ppm (0.05%) Cu was recorded in soil samples, while the airborne geophysical data suggest that the host lithology is non-magnetic conductive shale. Licence renewal applications were submitted to the Cadastre Minier for four of the six tenements. This application was accompanied by the compulsory 50% reduction in tenement size.
Ambase Joint Venture (continued)

During the 2013 field season, 596 geochemical samples were collected from a trench excavated across the strike of the Kimona Prospect, a potential sediment hosted, Cu target. Two additional trenches were excavated on the Mulumba Prospect (Ni-Cu-PGE target), where 891 samples were collected for analysis using a desk-top XRF analyser.

Ebende Joint Venture

The Ebende joint venture is with High Power Exploration Inc. (“HPX”), a private exploration company, and covers some 5,300 km². The transfer of the Ebende licenses to the joint venture entity has received cadastre approval. The Ministry of Mines has also confirmed that the licences qualify for non-diamond exploration, which carries an initial five-year term and two renewable terms of five-years each, with area reductions of 50% per permit at the time of each renewal.

HPX is operating the JV and earning an 80% interest solely by funding a US$3 million exploration program. The remaining 20% interest is shared equally by Concordia and Bugeco SA. The exploration target has the characteristics of a differentiated and layered ultramafic intrusion with potential to host economically significant PGE and base metals. An airborne geophysical survey by Xcalibur was completed during December 2012. During 2013, five core holes were drilled, and a stream geochemical sampling and geological mapping program was completed, with 197 samples collected. In addition, gravity and IP geophysical surveys were carried out along traverses crossing previously identified magnetic structures, and a petrographic study was done on portions of the drill cores from three of the five holes. Disseminated sulfides were observed in some of the drill cores. Assays associated with this work are pending.

A NI 43-101 report was completed on Ebende during the period, and has been filed on Sedar.

Qualified Person

Mr. Barry Bayly, a qualified person for the purposes of NI 43-101, has supervised the preparation of the scientific and technical information in this MD&A on the properties in Africa.

Albisu Claims, Nevada, US

The Albisu gold project occurs in northwestern Nevada approximately 35 kilometres west of McDermitt, Nevada. The project area is covered by 118 lode mining claims. Northwestern Nevada is situated in the northern Nevada epithermal province, which includes the deposits of Sleeper, Hog Ranch, and Hycroft.

The Albisu gold project exhibits distinctive low-sulfidation features and shallow, paleo-hot springs are evidenced by a large sinter apron exposed in the south part of the project. Other characteristics include weak stockwork sinter veinlets and sinter flooded tuffs that occur in the projects’ northwest area. The predominant rock types are basalt and rheomorphic tuff, both of which can be hydrothermally brecciated and flooded with sinter style silica.

Resource Properties Held for Disposal

South America

In 2010, the Concordia’s board of directors approved management’s recommendation that the Company no longer focus exclusively on uranium exploration in Canada and the United States. Given that mandate, Meryllion Minerals Corporation was created by the Company to undertake exploration programs, and to acquire an interest in South American properties, with an emphasis on Argentina. The Company acquired an option to purchase the 16,500 hectare Cerro Amarillo copper-gold property located in the Malargüe District, in the Province of Mendoza, Argentina and the 5,000 hectare Providencia silver-copper project located in the Puna of northwestern Argentina.
On October 1, 2013, the Company announced the proposed spin-out of its Providencia and Cerro Amarillo exploration properties located in Argentina held by Concordia’s wholly-owned subsidiary Meryllion Minerals Corp., and approximately $4,740 in cash, subject to closing adjustments, into Meryllion Resources Corporation (“Meryllion”), a wholly owned subsidiary of Concordia, which was incorporated on July 25, 2013, under the Business Corporations Act of British Columbia. Upon conclusion of the transactions, Meryllion will issue 17,126 common shares to Concordia, which will be distributed to Concordia shareholders. The transaction is expected to close in December 2013. Application will also be made to list the shares of Meryllion on the TSX Venture Exchange. The spin-out transaction will be completed pursuant to a plan of arrangement (the “Arrangement”) and will be subject to regulatory approval and approval by not less than two-thirds of the votes casted at a special meeting of the shareholders of Concordia on November 29, 2013.

Providencia, Argentina

The Providencia Ag-Cu property is located in the Puna of northwestern Argentina, and comprises mineral concessions situated at 4,200 m above sea level and some 260 km by good road from San Salvador de Jujuy, the capital of the Jujuy Province. The focus on the property has been the mineralization of the La Providencia silver deposit which was discovered in 1969 and produced some five million ounces of silver between 1986 and 1997. More recently, Meryllion—through its Argentine subsidiary, Meryllion Argentina SA (“MAS”)—completed a 4,500 m diamond drilling program and contracted independent consultants Roscoe Postle Associates Inc (“RPA”) of Vancouver Canada to prepare a resource estimate.

The Providencia property comprises four mineral titles: La Providencia, Tola, Olaroz Chico and Libertad. Under the terms of the option agreement on La Providencia and Tola entered into in March 2011 and amended in March 2013, the MAS has the right to acquire a 100% interest in these titles by making an initial payment of US$50 (paid) with additional escalating option payments amounting to US$1,225 (US$375 paid) over the 72 months. The exercise fee is US$950 if less than 50 million ounces of resources have been delineated (as defined by a third-party, independent consultant), or US$1,950 if more than 50 million ounces of silver are defined. The property is subject to a 1.5% NSR of which the Company can buy out for US$3,000 if less than 50 million ounces of silver resources are defined, or for US$2,000 if more than 50 million ounces of silver resources are defined. Meryllion, in addition, is committed to exploration expenditures of US$50 and US$100 in the first and second years respectively (fulfilled).

Two separate exploration-with-option-to-purchase agreements were signed effective June 13, 2012, and amended in May 2013, with respect to the Olaroz Chico, and effective July 13, 2012, and amended in May 2013, with respect to Libertad titles. These agreements require that MAS make payments of US$1,060 (US$18 paid) over 81 months in order to earn a 100% interest in the properties. In addition, a 1% NSR royalty is due with an option to buy out the NSR royalty for US$500.

In addition to the core properties of 5,000 hectares, a further exploration-with-option-to-purchase agreement was signed effective July 11, 2012, and amended in July 2013, for some 9,500 hectares spread over the Cerro Galán, Coyaguima, Coranzulí, Panizos, and Nazarena properties, which are situated in the district (that also hosts Silver Standard’s Pirquitas Ag-Sn mine) but are not contiguous to the Providencia property. This agreement stipulates a series of annual option payments amounting to US$270 (US$20 paid) over 72 months as well as a final purchase price of US$740 in order to earn a 100% interest in the properties. These titles are also subject to a NSR royalty of 1% which can be purchased for US$500. There is an additional work commitment of US$100 over the term of the agreement (72 months). In 2011, the Company also applied for two exploration concessions (cateos) amounting to 15,500 hectares to the south of the core properties of Providencia.
Cerro Amarillo, Argentina

Cerro Amarillo is a copper-gold-molybdenum porphyry prospect located in the Malargüe District in the Province of Mendoza, Argentina. The property lies at the southern end of the highly productive late Miocene – Pliocene magmatic arc that hosts the El Teniente and Los Bronces porphyry deposits in Chile.

Under the option agreement on Cerro Amarillo, entered into in October 2010, the Company has the exclusive right to engage in exploration activities on the properties for up to 52 months before exercising its option to acquire a 100% interest in the properties. The option is exercisable by the Company at any time, however, so long as the exploration program is ongoing, the Company will make payments to the owners of the property, which payments will total US$525 (US$200 paid) if the exploration program continues for at least 40 months. In early 2012, an extension of the option for an additional two years was negotiated for further payments of US$175. When the option is exercised, the Company will pay a final purchase price of US$2,500. The owners of the property will also be entitled to a 1% NSR in the event the properties are placed into commercial production, which the Company may purchase for US$3,000. Later in 2012, the owners applied for an additional and contiguous 2,500 hectares directly to the south of the original property and included this area in the original agreement by signing an addendum to the option agreement.

Cerro Amarillo is a copper-gold-molybdenum porphyry prospect, and lies at the southern end of the highly productive late Miocene – Pliocene magmatic arc that hosts the El Teniente and Los Bronces porphyry deposits in Chile. The property comprises some 16,500 hectares and contains three porphyry occurrences (Cerro Amarillo, Cajon Grande, and C4) and an additional four color/alteration anomalies (C2, C3, Dead Cow, and South Anomaly). The three porphyry occurrences lie in a northeast-trending corridor with Cerro Amarillo in the northeast, Cajon Grande in the center, and C4 in the southwest of the 14 km x 11 km property.

The Company’s 2012 austral summer campaign of detailed mapping and rock sampling within this corridor has outlined three fertile systems with strong indications of large copper-molybdenum-gold potential, and has led to the development of a drill proposal for a first stage drill program at Cerro Amarillo and Cajon Grande mineral occurrences.

The Cerro Amarillo occurrence in the northeast contains a classical porphyry-style mineralized system that includes stockwork, disseminated, breccias, skarn, and vein-types of mineralization. These types of mineralization are zoned with a central porphyry plug containing abundant quartz-magnetite vein stockworks together with disseminated chalcopyrite. This plug is surrounded by mineralized hydrothermal breccias with abundant pyrite which may result in an excellent supergene trap for leached copper and gold. Skarn mineralization occurs in almost perfect ring at the intersection of the vertical cylinder of breccias and the shallow-dipping calcareous sedimentary sequence. At the current level of erosion, almost the entire ring is exposed. Sparse peripheral veins of containing barite, hematite, galena, and sphalerite occur out to a radius of approximately one kilometer. The unique level of exposure of this system would allow the core stockwork-disseminated mineralization, the supergene breccias, and the skarns to be extracted in a single open-pit with a very low stripping ratio.

At Cajon Grande, the porphyry intrusions also exhibit copper-gold-molybdenum mineralization and associated hydrothermal alteration. The alteration includes an early stage potassic (quartz biotite) event with associated copper mineralization. This was immediately followed by an intense stockwork veining and associated sodic-calcic (actinolite albite ± sericite) alteration stage. Most of the copper seems to be associated with this event which is also strongly associated with the appearance of magnetite. In addition, low-temperature, sub epithermal, barite siderite sulphide veins occur distal to the porphyry system.

The C4 system in the southwest of the property has the potential to host a very large zone of mineralized porphyry and breccia. There is extensive hydrothermal alteration developed over a six kilometer strike. This alteration includes zones of quartz pyrite with argillic overprinting developed over a strike of at least two kilometers, and extending beyond that into shears and peripheral breccia zones.
Cerro Amarillo, Argentina (continued)

Magnetite, magnetite-actinolite, and specular hematite veins, stockworks and breccias occur below this main phyllic zone, and the alteration can be interpreted as a lower sodic-calcic alteration phase, with a possible elongate core of potassic alteration which has not been exposed at surface, telescoped upwards into the strongly developed phyllic zone.

FVI Agreement

Subsequent to September 30, 2013, the Company entered into a Definitive Corporate Structure and Administration Agreement (the “Agreement”) with Fitzcarraldo Ventures Inc. and Willem Fuchter (combined the “FVI”), whereby FVI agreed to relinquish its right under the previous agreement to 10% equity interest in Meryllion upon listing on the TSX Venture Exchange. In exchange, the Company granted FVI 1% net smelter returns royalty on Providencia and Cerro Amarillo properties.

Summary of Selected Quarterly Results

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Quarterly amounts added together may not equal the total reported for the period due to rounding.

The decrease in total assets during Q4 2013 compared to Q3 2013 was primarily due to disposal of the Investment in Western Lithium, the write-off of Kerboule property, cash spent on exploration expenditures and operating costs. The Company received a net proceed of $2,740 from the sale of the Investment in Western Lithium and recorded a loss on the sale of $1,670. The decreases in total assets in Q3 2013 and Q2 2013 were primarily due to exploration expenditures and operating costs. The decrease in total assets during Q1 2013 compared to Q4 2012 was primarily due to exploration expenditures, operating costs, and a $7,834 write-down of the Investment in Western Lithium. The increase in total assets in Q2 2012 compared to Q1 2012 was mostly due to the acquisition of Swala for shares offset with exploration and operation expenses, the write-off of the La Rioja property and a decrease in the Investment in Western Lithium.

Due to the proposed spin-out of Meryllion, the Company reclassified $764 of Providencia and Cerro Amarillo capitalized cost to Exploration and Evaluation assets Held for Disposal. In Q4 2013, the Company paid $18 in option payments on Albisu property and $10 in option payments on Providencia properties and wrote-off $14,212 of Kerboule exploration and evaluation asset. In Q3 2013 the Company paid $11 in option payments on Providencia properties in Argentina. In Q2 2013, the Company paid $153 in option payments on Cerro Amarillo and Providencia properties in Argentina. The increase in exploration and evaluation assets during the Q2 2012 is mostly due to $14,212 of mineral properties acquired from Swala.
CONCORDIA RESOURCE CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR TWELVE MONTHS ENDED SEPTEMBER 30, 2013
(Expressed in thousands of Canadian dollars, unless otherwise noted, except per share amounts and shares in thousands)

Summary of Selected Quarterly Results (continued)

The increase in Q4 2013 expenses compared to Q3 2013 was mostly due to the increase in professional fees related to the Company’s proposed reorganization and the Kerboule properties write-off. The decrease in Q3 2013 expenses compared to Q2 2013 was mostly due to the decrease in salaries and benefits offset by increase in exploration expenditures and professional fees. Salaries and benefits were higher in Q2 2013 due to the US$650 severance payment to a former officer of the Company. The increase in Q4 2013 expenses compared to Q4 2012 was due to the Kerboule write-off offset with reductions in all expense categories except professional and filing fees.

Results of Operations – Three Months Ended September 30, 2013

For the three months ended September 30, 2013, the Company reported a total comprehensive loss of $16,436 compared to a total comprehensive loss of $2,015 for the three months ended September 30, 2012, of which $15,672 (Q4 2012 - $1,564) can be attributed to expenses, $865 (Q4 2012 – $358 equity loss) to the equity income in Western Lithium, $32 (Q4 2012 - $59) to interest income, and $18 (Q4 2012 – $59 loss) to foreign exchange gain.

Stock-based compensation of $12 (Q4 2012 - $16) is a non-cash expense and represents the estimated fair value of stock options vested during the period. It is accounted for at fair value as determined by the Black-Scholes Option Pricing Model and varies from period to period based on the number and valuation of the stock options granted during the period, vesting provisions, and the amortization schedule of previously granted stock options.

The Company incurred exploration expenditures of $372 (Q4 2012 – $644), of which $40 (Q4 2012 – $112) was spent on Providencia, $192 (Q4 2012 - $145) on Kerboulé, $33 (Q4 2012 - $25) on Cerro Amarillo, $4 (Q4 2012 - $Nil) on La Rioja, $1 (Q4 2012 - $6) on Albisu, $Nil (Q4 2012 - $11) on Baza, and $102 (Q4 2012 – $345) on general exploration.

Professional fees consist of legal fees of $469 (Q4 2012 – $60), consulting fees of $147 (Q4 2012 - $178) and accounting fees of $4 (Q4 2012 - $8). Legal fees were higher in Q4 2013 due to the work related to the Company’s reorganization.

Salaries and benefits of $252 (Q4 2012 - $357) were lower as the Company had fewer employees in Q4 2013.

Travel and conferences of $51 (Q4 2012 - $109) decreased due to decrease in travel.

The equity income in Western Lithium of $865 (Q4 2012 - $358 equity loss) was recorded under the equity method of accounting.

In Q4 2013, the Company wrote off acquisition costs on Kerboule property. There were no properties written-off in Q4 2012.

Results of Operations – Twelve Months Ended September 30, 2013

For the twelve months ended September 30, 2013, the Company reported a total comprehensive loss of $29,368 compared to a loss of $15,151 for the twelve months ended September 30, 2012, of which $20,302 (2012 - $12,265) can be attributed to expenses, $79 (2012 - $2,315 equity loss) to equity income in Western Lithium, $23 (2012 - $Nil) to gain on dilution of interest in Western Lithium, $108 to foreign exchange gain (2012 –$724 loss), $7,834 (2012 - $Nil) to write-down of investment in Western Lithium, and $1,670 (2012 - $Nil) to loss on sale of investment in Western Lithium.

Stock-based compensation of $99 (2012 - $564) is a non-cash expense and represents the estimated fair value of stock options vested during the period.
Results of Operations – Twelve Months Ended September 30, 2013 (continued)


Professional fees of $1,542 (2012 - $1,085) consist of legal fees of $770 (2012 – $2,86), consulting fees of $673 (2012 - $666), audit and accounting of $99 (2012 - $133). Legal fees were higher due to the Company’s reorganization.

Travel and conferences expense of $314 (2012 – $515) was higher in 2012 due to more travel to Africa and South America.

Salaries and benefits of $1,808 (2012 - $1,474) were higher due to the US$650 severance payment to a former officer of the Company.

During the period ended September 30, 2012, the Company wrote off $14,212 of Kerboule properties acquisition costs. In 2012, the Company wrote off $587 of La Rioja acquisition costs.

Liquidity and Capital Resources

<table>
<thead>
<tr>
<th>Cash Flow Highlights</th>
<th>Periods ended September 30,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Cash used in operating activities</td>
<td>(5,369)</td>
<td>(11,608)</td>
<td></td>
</tr>
<tr>
<td>Cash provided/(used) in investing activities</td>
<td>2,497</td>
<td>(1,743)</td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rate changes</td>
<td>125</td>
<td>(724)</td>
<td></td>
</tr>
<tr>
<td>Decrease in cash and cash equivalents</td>
<td>(2,747)</td>
<td>(14,075)</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents - beginning of period</td>
<td>15,323</td>
<td>29,398</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents - end of period</td>
<td>12,576</td>
<td>15,323</td>
<td></td>
</tr>
</tbody>
</table>

At September 30, 2013, the Company had cash and cash equivalents of $12,576 and working capital of $12,191 compared to cash and cash equivalents of $15,323 and working capital of $15,350 on September 30, 2012.

The Company considers that it has sufficient cash to finance its operations for at least 12 months from the date of approval of the condensed consolidated financial statements. The Company considers that it is well financed to allow funding of the current exploration stage assets and programs. The requirement for further equity financing is most likely to be related to the advancement of one of the Company's exploration assets to a resource delineation or feasibility stage.

In September 2013, the Company sold 28,540 common shares of Western Lithium for net proceed of $2,740 and recorded a loss on sale of investment in Western Lithium of $1,670. The sale concludes the Company’s obligations under the Sale and Purchase agreement between the Company and Western Lithium, where the Company agreed to dispose of its common shares in the capital of Western Lithium to such persons as identified by management of Western Lithium as strategic investors.

Except as disclosed, the Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs.

The Company is not now nor expects in the future to be engaged in currency hedging to offset any risk of currency fluctuations.
Operating Cash Flow

Cash used in operating activities during the period ended September 30, 2013, was $5,369 compared to $11,608 used during the period ended September 30, 2012. The decrease in operating cash expenditures was primarily due to a decrease in exploration activities.

Investing Activities

Investing activities provided cash of $2,497 during the period ended September 30, 2013, compared to $1,743 used during the period ended September 30, 2012. In September 2013, the Company sold 28,540 common shares of Western Lithium for net proceed of $2,740. The cash used in investing activities during the period ended September 30, 2013, was primarily due to the properties options payments in Argentina. The cash used in investing activities during the period ended September 30, 2012, was for the loan to Swala to commence an exploration program in Africa offset by cash acquired upon the acquisition of Swala, purchase of capital assets, and properties payments. The Company received $100 from the sale of capital assets during the period ended September 30, 2012.

Related party transactions

The Company entered into related party transactions with WMM Services Corporation (“WMM”), a private company owned equally by Concordia and Western Lithium. WMM provides administration, accounting and other office services to the Company on a cost-recovery basis.

The Company’s related party transactions are included in the following categories:

<table>
<thead>
<tr>
<th>For the twelve months ended September 30,</th>
<th>2013 $</th>
<th>2012 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, benefits, and directors fees</td>
<td>869</td>
<td>644</td>
</tr>
<tr>
<td>Office and administration</td>
<td>245</td>
<td>298</td>
</tr>
<tr>
<td>Regulatory and filing fees</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Professional fees</td>
<td>26</td>
<td>36</td>
</tr>
<tr>
<td>Prepaids and deposits</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets</td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td>Total related party transactions</td>
<td>1,196</td>
<td>987</td>
</tr>
</tbody>
</table>

The liabilities of the Company include the following amounts due to related party:

<table>
<thead>
<tr>
<th>As at September 30,</th>
<th>2013 $</th>
<th>2012 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total due to related party</td>
<td>80</td>
<td>71</td>
</tr>
</tbody>
</table>

The related party transactions incurred during the period were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed by the related parties.
Compensation of Key Management

Effective January 1, 2012, Concordia pays $25 in annual director fees to each of its independent directors, payable quarterly. Effective February 28, 2013, the Company pays $60 in annual fee to its Chairman, payable quarterly.

The remuneration of directors and other members of key management included:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and bonuses</td>
<td>545</td>
<td>667</td>
</tr>
<tr>
<td>Termination benefit included in salaries and benefits</td>
<td>669</td>
<td>-</td>
</tr>
<tr>
<td>Director’s fees included in salaries and benefits</td>
<td>164</td>
<td>82</td>
</tr>
<tr>
<td>Professional fees</td>
<td>200</td>
<td>108</td>
</tr>
<tr>
<td>Benefits paid to director</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>83</td>
<td>494</td>
</tr>
</tbody>
</table>

Total key management compensation: 1,677, 1,351

The prepaid expenses and deposits of the Company include the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>As at September 30, 2013</th>
<th>As at September 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Benefits for Director of the Company</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

The liabilities of the Company include the following amounts due to Directors and Officer of the Company:

<table>
<thead>
<tr>
<th>Description</th>
<th>As at September 30, 2013</th>
<th>As at September 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total liabilities due to Directors and Officer</td>
<td>44</td>
<td>16</td>
</tr>
</tbody>
</table>

Share Data Information

As at the date of this MD&A, there were 85,628 common shares and 6,686 stock options outstanding.
CONCORDIA RESOURCE CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR TWELVE MONTHS ENDED SEPTEMBER 30, 2013
(Expressed in thousands of Canadian dollars, unless otherwise noted, except per share amounts and shares in thousands)

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All of the Company’s financial instruments are classified into one of three categories: loans and receivables, available for sale financial assets, or other financial liabilities. All financial instruments are measured in the statement of financial position at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification. Loans and receivables and other financial liabilities are measured at amortized cost.

Cash and cash equivalents and receivables have been designated as loans and receivables. Cash and cash equivalents and receivables are included in current assets due to their short term nature.

The Company’s marketable securities are classified as available for sale and fair value is determined using market closing price at the statement of financial position date with any temporary unrealized gains or losses recognized in other comprehensive income.

Accounts payable and accrued liabilities have been designated as other financial liabilities and are include in current liabilities due to their short-term nature.

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2013</th>
<th>September 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans-and -receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12,576</td>
<td>15,323</td>
</tr>
<tr>
<td>Receivables</td>
<td>368</td>
<td>550</td>
</tr>
<tr>
<td>Available for sale:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketable securities</td>
<td>22</td>
<td>46</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>12,966</td>
<td>15,919</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other-financial-liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>903</td>
<td>914</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>903</td>
<td>914</td>
</tr>
</tbody>
</table>

Additional financial instruments disclosure is contained in Note 16 of the Company’s condensed consolidated financial statements for the twelve months ended September 30, 2013.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those disclosed under resource properties.
Commitments

The Company’s current corporate office lease payments are $8 per month and the lease agreement expires on December 30, 2014:

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2014</td>
<td>96</td>
</tr>
<tr>
<td>Fiscal year 2015</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>$120</td>
</tr>
</tbody>
</table>

Risk and Uncertainties

The Company’s operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company seeks to counter this risk as far as possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

A summary of the Company’s financial instruments risk exposure is provided in Note 16 of the Company’s condensed consolidated financial statements for the twelve months ended September 30, 2013.

The following are additional risk factors which the Company’s management believes are most important in the context of the Company’s business. It should be noted that this list is not exhaustive and that other risk factors may apply.

Metal Price Risk: The Company’s portfolio of properties has exposure to uranium, gold, silver and copper. The price of these metals is affected by numerous factors beyond the control of the Company including producer hedging activities, the relative exchange rate of the US dollar with other major currencies, demand, political and economic conditions and production levels. The price of these metals greatly affects the value of the Company and the potential value of its properties. The price of other metals and mineral properties that the Company may explore has similar price risk factors.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company’s capital resources are largely determined by the strength of the junior resource markets and by the status of the Company’s projects in relation to these markets, and its ability to compete for the investor support of its projects.

Environmental Risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company’s operations. Environmental legislation is evolving in a manner that is expected to require stricter standards and enforcement, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for the Company. Changes in environmental legislation could delay and/or increase the cost of exploration and development of the Company’s properties. Future environmental costs may increase due to changing requirements or costs associated with acquisition, exploration and development operation and closure of mine projects, and such projects may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Title Risk: 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. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
Risk and Uncertainties (continued)

Permits and Licenses: The Company’s operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects. Furthermore, while it is common practice that permits and licenses may be renewed, extended or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that any particular renewal, extension, or a transfer will be granted to the Company, or if they are granted, that the Company will be in a position to comply with all conditions that are imposed.

Industry: The Company is engaged in the acquisition and exploration of resource properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable deposits. The focus of the Company is on areas in which the geological setting is well understood by management.

Key-Individuals Risk: The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Beyond key officers, the Company has relied on, and may continue to rely on, consultants for mineral exploration and exploitation expertise. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and operational personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company’s success or may cause the Company to experience delays or increased costs in developing its properties. To date, the Company has not purchased “key-man” insurance with respect to any of its officers or key employees and has no current plans to do so.

Dependence on Consultants: Because of its relatively small group of officers and staff, the Company has relied on, and may continue to rely on, professional and competent outside consultants in the field for mineral exploration and exploitation expertise in areas in which the Company has or may acquire properties. The Company strives to retain consultants who are competent and who carry out their work in accordance with professional and internationally recognized industry standards. However, in the absence of direct oversight in the field, if the work conducted by consultants is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring, exploiting and developing its properties.

Political Risk: While the governments in Argentina and Burkina Faso, where Concordia’s material properties are located, have historically supported the development of their natural resources by foreign companies, there is no assurance that these governments will not in the future adopt different policies or new interpretations respecting foreign ownership or mineral resources, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital. Any limitation on transfer of cash or other assets between Concordia and its’ subsidiaries could restrict the ability to fund operations and materially adversely affect the Company’s financial condition and results of operation.

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. The Company’s interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Company’s operations may be assessed, which could result in significant addition in taxes, penalties and interest.

The possibility that a future government in any of these countries may adopt substantially different polices or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in these counties.

Surrounding Communities Relations: The Company’s properties in Africa and Argentina may be subject to the rights or asserted rights of various community stakeholders. Moreover, artisan miners may make use of some or all of the Company’s properties in Africa which could interfere with exploration and development activities on such properties.
Risk and Uncertainties (continued)

Insufficient Insurance: While the Company obtains insurance against certain risks in such amounts as the management considers adequate, available insurance may not cover all the potential risks associated with the Company’s operations. The Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums and insurance coverage may not be available in the future or may not be adequate to cover any resulting loss. Insurance risks such as validity of ownership of unpatented mining claims and environmental pollution or other hazards as a result of exploration is not generally available to exploration companies on acceptable terms. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, materially adversely affecting the financial condition and results of operations.

International Operations: Concordia participates in mineral development projects located in emerging markets, including Argentina, Burkina Faso, Mozambique, Ivory Coast and the Democratic Republic of the Congo. Mineral exploration, development and production activities in these emerging markets are subject to significant political and economic uncertainties which may adversely affect the Company’s operations. These uncertainties include, but are not limited to, the risk of war, terrorism, expropriation, nationalization, renegotiation or nullification of existing or future concessions and licenses, the imposition of international sanctions, a change in metal pricing policies, a change in taxation policies and the imposition of currency controls. These uncertainties, all of which are beyond the Company’s control, could have a material adverse effect on Concordia’s business, prospects and results of operations. In addition, if legal disputes arise related to mineral concessions and licenses acquired by Concordia, the Company could be subject to the jurisdiction of courts other than those of Canada.

The Company’s recourse may be very limited in the event of a breach by a government or government authority of an agreement covering a concession or license in which the Company has an interest. Concordia may require licenses or permits from various governmental authorities to carry out future exploration, development and production activities. There can be no assurance that Concordia will be able to obtain all necessary licenses and permits when required.

Critical Accounting Estimates

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the determination of a significant and prolonged decline in the value of the Investment in Western Lithium;
- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- accounting for the Swala Resources Inc. acquisition as an asset purchase;
- deferred tax assets not recorded in the consolidated financial statements;
- management concluded that the disposal of assets in the Meryllion spin-out transaction was not considered to be a discontinued operation under IFRS 5;
- In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”, management determined that the functional currency of Concordia is the Canadian dollar, the functional currency of the Company’s wholly-owned subsidiaries Western Energy Development Corp. and Meryllion Minerals Corp. is US dollars, and the functional currency of the Company’s wholly-owned subsidiary Swala Resource Inc. is European Euro as these are the currencies of the primary economic environment in which the companies operate.

Functional and Presentation Currency

Items included in the financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, while subsidiaries have Canadian Dollar, US Dollar or Euro functional currencies.
Key Accounting Policies

Provisions for Close Down and Restoration and for Environmental Cleanup Costs

Close down and restoration costs include dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs. The cost estimates are updated during the life of the operation to reflect known development, such as revisions to cost estimates and to the estimated lives of the operations, and are subject to formal reviews at regular intervals. The initial closure provision together with changes resulting from changes in estimated cash flows or discount rates are capitalized within property, plant and equipment. These costs are then depreciated over the lives of the asset to which they relate, typically using the units of production method. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to the income statement as a financing cost. Provision is made for the estimated present value of the costs of environmental cleanup obligations outstanding at the balance sheet date. These costs are charged to the income statement as an operating cost. As at June 30, 2013, the Company does not have any provisions for the close down and restoration effort or for environmental cleanup costs.

Exploration and Evaluation Assets

Exploration expenditures are expensed as incurred until an economic feasibility study has established the presence of proven and probable reserves, at which time development expenditures incurred on the property thereafter are capitalized. Costs relating to the acquisition and claim maintenance of mineral properties (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company assesses its exploration and evaluation assets for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. An exploration and evaluation assets is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

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. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

Equipment

Computer, office, industrial and automotive equipment is recorded at cost less accumulated depreciation calculated using the declining balance method at the 20% annual rate.

Impairment of Long-lived Assets

Long-lived assets are assessed for impairment at each reporting date. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds it recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties.
Impairment of Long-lived Assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). These are typically individual mines or development projects.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, and adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable loss differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Stock-Based Compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The fair value of stock options granted by the Company is treated as compensation costs in accordance with IFRS 2 - Share-based Payments. These costs are charged to the statement of loss or, if appropriate, are capitalized to exploration and evaluation assets over the stock option vesting period. The Company’s allocation of share-based payments is consistent with its treatment of other types of compensation for each recipient.

Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche’s vesting period based on the number of awards expected to vest, by increasing contributed surplus. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.
Valuation of Equity Units Issued in Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. The value attributed to the warrants is recorded as contributed surplus. If the warrants are exercised, the value attributable to the warrants is transferred to share capital.

Foreign Currency Transactions

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise.

Transactions and Balances (continued)

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies

The financial results and position of operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at the average rate.

Exchange differences are transferred directly to the consolidated statement of comprehensive loss and are reported as a separate component of shareholders’ equity titled “Cumulative Translation Adjustment”. These differences are recognized in the profit or loss in the period in which the operation is disposed of.

Investor Relations

Terry Krepiakevich, Interim CEO, coordinates investor relations’ activities.
Change in Directors and Management

On March 1, 2013, the Company announced that Mr. Ed Flood has stepped down as CEO and Chairman of the Company. The Company agreed to pay Mr. Flood the lump-sum amount of US$650 (paid), which would have been the amount due and payable pursuant to Mr. Flood’s employment contract in the event of a “without cause” termination.

Effective February 28, 2013, Mr. David Birkenshaw, a director and significant shareholder of the Company, has been appointed as Chairman of the Board. Mr. Terry Krepiakevich, a director of the Company, and chair of its audit committee, has agreed to act as interim CEO.

Effective November 22, 2012, Mr. David Birkenshaw has been appointed to Concordia's board of directors.

Forward Looking Statements

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company’s future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: successful closing of the corporate reorganization, capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company’s ability to raise capital, expenditures to be made by the Company on its properties and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- receiving shareholders and regulatory approvals for the proposed corporate reorganization;
- uncertainties relating to receiving mining and exploration permits in Africa, US, and Argentina;
- the impact of increasing competition in uranium, gold, silver and copper business;
- unpredictable changes to the market prices for gold, silver and copper;
- exploration and developments costs for its properties;
- availability of additional financing or joint-venture partners;
- anticipated results of exploration activities;
- the Company’s ability to obtain additional financing on satisfactory terms.

The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A, volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral exploration; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and/or joint venture partners and unpredictable weather conditions.
Forward Looking Statements (continued)

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.