

INDEPENDENCE GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FORM 51-502F1 For the three month period ended March 31, 2014

This Management's Discussion and Analysis ("**MD&A**") compares the financial results of Independence Gold Corp. and its wholly-owned subsidiaries, Golden Pavilion Resources Ltd. and Silver Quest Resources (US) Ltd. (collectively, "**Independence**" or the "**Company**") for the three month period ended March 31, 2014 ("**first quarter 2014**") with the comparable period in 2013 ("**first quarter 2013**"). This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements for the first quarter 2014 and the audited consolidated financial statements and accompanying notes for the year ended December 31, 2013 and the MD&A's for all relevant periods, copies of which are filed under the Company's profile on the SEDAR website, www.sedar.com.

Independence was incorporated under the *Business Corporations Act* (British Columbia) on November 1, 2011 and commenced trading on the TSX Venture Exchange (the "**Exchange**") on December 29, 2011 under the symbol "IGO". The Company's head office and principal address is 1410 - 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N8. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The Company is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, except for the inferred mineral resource on the 3Ts property, no mineral resources have been identified on the Company's mineral properties.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and Interpretations issued by the International Financial Reporting Interpretations Committee.

The information contained in this document is provided as of May 21, 2014 (the "**Report Date**").

OVERVIEW

Independence is principally engaged in the evaluation, acquisition and exploration of precious metal properties that are located in North America. The Company's projects range from early-stage grassroots exploration through advanced-stage resource delineation and expansion. The Company's business model is to build shareholder value through systematic project advancement while concurrently maintaining an opportunistic approach to the acquisition of additional precious metals properties. Independence actively manages its property portfolio, farming out or relinquishing properties when exploration results suggest that further expenditures by the Company are unwarranted.

Independence has no producing operations and as a consequence, the Company does not generate any operating income or a positive cash flow. Exploration of its properties is therefore entirely dependent on the Company's ability to access public equity markets to raise sufficient capital and/or its ability to attract joint venture partners to finance further work on its properties. However, with working capital of approximately \$8.5 million at March 31, 2014, Independence is adequately financed to support its anticipated exploration programs in the near term.

Mineral Projects

Independence currently holds interests in one exploration project in central British Columbia and several projects in the Yukon Territory. With the exception of the British Columbia project, the projects are at an early stage of exploration and evaluation, and no resources have been identified. Mr. David Pawliuk, P.Geo., the Company's Qualified Person, as defined by National Instrument ("**NI**") 43-101, for the Company's mineral projects, has reviewed the technical information in this MD&A.

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3Ts Project, British Columbia

The 3Ts Project is located approximately 120 kilometres ("km") southwest of Vanderhoof and consists of six contiguous properties: the Tsacha, Tam, Taken, Tommy Lakes, Bot and Blackwater South properties. Collectively, the six properties are made up of fourteen mineral claims covering approximately 4,934 hectares in the Nechako Plateau region of central British Columbia. Independence owns a 100% interest in all six properties, four of which are subject to various net smelter return ("NSR") royalties that are payable to the vendors of the properties.

The 3Ts Project covers an epithermal quartz-carbonate vein system within which more than a dozen individual mineralized veins, ranging up to 900 metres ("m") in strike length and up to 20 m in true width, have been identified.

Mineral Resource Estimate

Subsequent to the quarter end, the Company updated the mineral resource estimate for the 3Ts Project to incorporate results from the 2012 and 2013 diamond drilling programs on the Ted and Mint veins. The NI 43-101 compliant Inferred Resource estimate has increased by 12% for the contained ounces of gold and 27% for the contained ounces of silver at a cut-off grade of 1.0 g/t gold. This inferred resource is now estimated to contain a total of 441,000 ounces of gold and 12,540,000 ounces of silver.

Gold		Gold		Silver	
Cut-off Grade (g/t)	Tonnes	Grade (g/t)	Ounces	Grade (g/t)	Ounces
Tommy Vein					
0.5	1,615,000	3.99	207,000	39.70	2,059,000
1.0	1,490,000	4.25	204,000	41.90	2,009,000
1.5	1,371,000	4.52	199,000	44.30	1,953,000
2.0	1,182,000	4.96	189,000	48.00	1,824,000
Ted Vein					
0.5	2,984,000	1.62	156,000	93.5	8,974,000
1.0	2,942,000	1.64	155,000	94.7	8,955,000
1.5	2,763,000	1.72	153,000	99.5	8,837,000
2.0	2,484,000	1.83	146,000	107.45	8,575,000
Mint Vein					
0.5	1,036,000	2.47	82,000	47.5	1,581,000
1.0	1,020,000	2.51	82,000	48.0	1,576,000
1.5	957,000	2.63	81,000	50.4	1,552,000
2.0	829,000	2.94	78,000	53.0	1,411,000
Total Inferred Resources					
0.5	5,635,000	2.46	445,000	69.6	12,614,000
1.0	5,452,000	2.52	441,000	71.5	12,540,000
1.5	5,091,000	2.61	433,000	75.4	12,342,000
2.0	4,495,000	2.86	413,000	81.7	11,810,000

The Inferred Resource Estimate for the 3Ts project has been prepared by Allan Armitage, Ph. D., P.Geo. of GeoVector Management Inc. in accordance with NI 43-101. A NI 43-101 technical report detailing both the updated resource estimate at the 3Ts project has been filed on SEDAR May 13, 2014.

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Well-mineralized vein float boulders discovered to date indicate the potential to find additional mineralized veins within the 3Ts Project area. During the summer of 2014, the Company plans to complete a diamond drill program that is designed to search for new mineralized veins by testing targets identified during 2013 field work.

Snowcap and Other White Gold Area Projects, Yukon Territory

The Snowcap Project consists of five properties (Boulevard, YCS, Solitude, Solo and Tiger) totaling approximately 1,700 quartz mining claims covering approximately 34,000 hectares. The Project is located in Whitehorse Mining District, 135 km south of Dawson City, 35 km south of Kinross' Golden Saddle deposit and contiguous to the Coffee Project owned by Kaminak Gold Corporation.

Previous exploration work by the Company on the Snowcap Project has identified multiple gold-in-soil anomalies, including the two main ones, identified as the Sunset Zone and the Denali Zone. The Sunset Zone is a 1.5 km long gold and arsenic-in-soil anomaly identified by gold concentrations ranging from 70 to 7,010 parts per billion ("ppb") and confirmed by drilling. The Denali Zone is a 700 m long gold-in-soil anomaly identified by gold values ranging from 75 to 4,530 ppb and confirmed by trenching.

The Company holds a number of other projects in the White Gold Area of western Yukon, including the Henderson and Moosehorn Projects.

Work on these Yukon projects is currently on hold.

RESULTS OF OPERATIONS

For the three months ended March 31, 2014

The net loss for the three months ended March 31, 2014 was \$323,813 compared to \$1,009,564 for the prior year's comparative period.

Expenses in the current period amounted to \$357,140 (2013 - \$1,012,621), with the largest item being \$105,469 (2013 - \$714,970) of exploration expenditures.

The operating losses are a reflection of the Company's status as non-revenue producing mineral exploration company. As the Company has no main source of income, losses are expected to continue for the foreseeable future.

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

Year:	2014	2013	2013	2013	2013	2012	2012	2012
Quarter Ended:	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Net sales or total revenue	\$Nil							
Net income (loss):								
(i) in total (000s)	\$(324)	\$(1,303)	\$(353)	\$(419)	\$(1,010)	\$(1,375)	\$(1,508)	\$(1,435)
(ii) per share ⁽¹⁾	\$(0.01)	\$(0.03)	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.04)	\$(0.03)	\$(0.03)

(1) Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

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While the information set out in the foregoing table is mandated by *National Instrument 51-102*, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or revenue.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluations expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter.

The increases in the losses reported in the fourth quarters of 2013 and 2012 were largely due to write-down of acquisitions costs on properties that were dropped at the end of the respective years.

Financing Activities

The Company did not complete any equity financings in either the first quarter of 2014 or 2013.

Investing Activities

During the first quarter of 2014, the Company invested \$2,131,487 (2013 - \$1,457,658) in short-term investments. In the first quarter of 2014, the Company invested \$5,083 (2013- \$Nil) in property acquisitions and expensed \$105,469 (2013 - \$714,970) of exploration expenditures incurred on its mineral properties.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Transactions with Related Parties

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties and key management personnel during the three month period ended March 31, 2014:

Paid or accrued the following to Rand Explorations Ltd., a company controlled by Randy Turner, the Chief Executive Officer of the Company:

		2014		2013
Management fees	\$	55,250	\$	55,250
Geological Consulting fees:		9,750		9,750

Paid or accrued the following to Adera Company Management Inc., a company controlled by J. Christopher Mitchell, the former Chief Financial Officer of the Company:

		2014		2013
Management fees	\$	-	\$	5,125

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Paid or accrued the following to Susan Neale, the Chief Financial Officer of the Company:

	2014	2013
Management fees	\$ 3,000	\$ -

Paid or accrued the following to David Pawliuk, the Vice President – Exploration and an officer of the Company:

	2014	2013
Geological consulting fees:	\$ 37,500	\$ 37,500

Paid or accrued the following to non-executive directors of the Company:

	2014	2013
Director fees	\$ 19,500	\$ 19,500

Included in receivables at March 31, 2014 is \$46,949 (December 31, 2013 - \$28,996) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at March 31, 2014 is \$3,000 (December 31, 2013 - \$1,365) due to directors and companies with directors and/or officers in common.

LIQUIDITY AND CAPITAL RESOURCES

Independence has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Independence will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for precious metal exploration generally, a company's track record and the experience and calibre of a company's management.

There is no assurance that Independence will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

Cash and Financial Condition

The Company's working capital was approximately \$8.5 million at March 31, 2014, which is sufficient to cover anticipated operating costs and expenditures on the exploration programs on its properties for the near term. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing to fund exploration projects that are generating positive results.

In addition, the Company is entitled to recover mineral exploration tax credits and grants of approximately \$400,000 and will be recognized when there is reasonable assurance of recovery.

Independence has no other debt, does not have any unused lines of credit or other arrangement in place to borrow funds, and has no off-sheet balance arrangement. The Company has no current plans to use additional debt financing and does not use hedges or other financial derivatives.

Financial Instruments

The Company's financial instruments currently consist of cash and cash equivalents, short-term investments, marketable securities, receivables, exploration advances and deposits, accounts payable and accrued liabilities. The fair value of cash and cash equivalents, marketable securities and short-term investments are measured based on Level 1 of the fair value hierarchy. The fair value of receivables, exploration advances and deposits and accounts payable and accrued liabilities

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approximate their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

RISK FACTORS

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2013 annual MD&A filed on April 10, 2014.

OUTSTANDING SECURITIES DATA

On the Report Date, the Company had 43,813,012 common shares issued and outstanding or 47,918,012 common shares on a fully diluted basis. On the report date, there were 4,105,000 options outstanding with an exercise price of \$0.20.

OUTLOOK

Independence has identified an inferred resource on the 3Ts project on the Nechako Plateau in British Columbia and has assembled a significant land position in several districts in the Yukon. In light of current financial market conditions, particularly as they affect companies operating in the junior mineral exploration sector, management has adopted a conservative exploration program and a modest level of expenditures until economic conditions improve. For 2014, the Company intends to complete a 3,500 m diamond drilling program to test previously identified targets in three high prospective areas within the 100% owned 3Ts Project area. In addition, the Company will continue to evaluate gold and silver projects for possible acquisition.

FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.