CROWN GOLD CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2012

This management discussion and analysis ("MD&A") has been prepared based on information available to Crown Gold Corporation ("Crown" or the "Company") as at April 30, 2013. The MD&A of the operating results and financial condition of the Company for the three month period and year ended December 31, 2012, should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the years ended December 31, 2012 and 2011. The accompanying unaudited interim consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the financial statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this management discussion and analysis are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

OVERVIEW

Company Highlights

- On February 28, 2013, the Company completed a private placement of 2,600,000 units at a price of $0.05 per unit for proceeds of $130,000. Each unit consists of one common share and one common share purchase warrant, each whole warrant entitling the holder to purchase one common share for $0.10 for two years.
- On October 10, 2012, the Company signed a Definitive Agreement (the "Agreement") with Pasofino Gold Corporation ("Pasofino"), an arm's length Canadian private company with a gold exploration property in the Caldas province of Colombia. Under the terms of the Agreement, Crown will potentially acquire Pasofino (the "Transaction") for 34,089,104 common shares of Crown. The Agreement is subject to a number of conditions including completion of due diligence on title and geology, approval by each company's board of directors, completion of formal documentation, and any necessary shareholder and regulatory approvals. As part of the Agreement, Crown has advanced to Pasofino a total of US$150,000.
- The Company declared on September 7, 2012 and paid on September 25, 2012 a dividend of $0.04/share or $3,650,000 total dividend payment as a result of the sale of the Monte Cristo property to a subsidiary of Hecla Mining Company ("Hecla").
- On August 15, 2012, the Company completed a private placement totaling 4,763,333 flow-through shares at $0.085 each for total proceeds of $404,883. The flow-through shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers.
- On July 31, 2012, the Company completed an agreement with a subsidiary of Hecla to sell its interest in the Monte Cristo property for US$4,500,000 in cash.
- On February 15, 2012, the Company completed a private placement of 2,000,000 units at a price of $0.05 per unit for proceeds of $100,000. Each unit consists of one common share and one common share purchase warrant, each whole warrant entitling the holder to purchase one common share for $0.10 until November 15, 2012.

The Company does not currently have a producing property. Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the ability to obtain the financing required to pursue the exploration and development of its properties, and profitable future production or the proceeds from the sale of its properties. The Company must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, it is not possible to predict whether financing efforts will be successful and management cannot provide assurance that it will be able to obtain the required financing.

The shares of the Company are listed on the TSX Venture Exchange and are traded under the symbol CWM.

CROWN GOLD CORPORATION

OVERALL PERFORMANCE

Over the last four years, the global financial and commodity markets were characterized by extreme volatility as market participants reacted and responded to uncertainty and pessimism over the depressed North American and international economies. These circumstances have had an impact on the Company's operations and, in particular, on the economics of its existing exploration and development projects, its strategy to evaluate and, if attractive, complete potential acquisitions and otherwise its ability to pursue growth opportunities. In the short-term, the Company expects to continue to focus its exploration activities on its McKenzie Island property in Red Lake, Ontario and the acquisition of the Mora property in Colombia.

The Company will continue to evaluate its strategic options and potential acquisitions and may, if conditions are favourable, seek to raise additional funds through a private or public offering of securities or debt as required.

Trends

- The future performance of the Company is largely tied to the exploration and development of its Red Lake property and the acquisition of the Mora property in Colombia.
- Financial markets continued to be volatile in Canada throughout fiscal 2011 and 2012, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. However, there appears to be strength in the markets of gold and silver. The Company does not foresee any significant difficulties in raising equity for the purposes of carrying out exploration and development activities on its current properties or acquiring new assets in the near future. See "Risk Factors".

SELECTED ANNUAL INFORMATION

The following tables summarize selected annual financial data of the Company for the three most recent years ended December 31, 2012, 2011 and 2010:

	December 31, 2012	December 31, 2011	December 31, 2010
	$	$	$
Revenue	-	-	-
Operating Expenses	1,011,264	1,283,655	1,201,646
Net Loss	1,009,537	1,897,481	1,532,309
Loss Per Share	$0.01	$0.02	$0.03
Total Assets	376,468	4,530,408	6,024,691
Liabilities	77,293	217,162	197,626
Total Dividends Paid	3,650,000	Nil	Nil

SELECTED QUARTERLY INFORMATION

The following tables summarize selected quarterly financial data of the Company for the eight most recent quarters ended:

RESULTS OF OPERATIONS

	Q4 Dec 2012	Q3 Sep 2012	Q2 Jun 2012	Q1 Mar 2012
	$	$	$	$
Expenses	262,828	497,920	92,722	157,794
Net income (loss)	(538,525)	44,812	(358,030)	(157,794)
Net income (loss) per share (basic and diluted) $	(.006)	.001	(.004)	(.002)

	Q4 Dec 2011	Q3 Sep 2011	Q2 Jun 2011	Q1 Mar 2011
	$	$	$	$
Expenses	114,427	121,506	312,552	735,170
Net loss	(563,113)	(138,428)	(460,770)	(735,170)
Net loss per share (basic and diluted) $	(.007)	(.002)	(.005)	(.009)

OPERATIONAL REVIEW & RESULTS OF OPERATIONS

THREE MONTH PERIOD ENDED DECEMBER 31, 2012

Net loss for the three month period ended December 31, 2012 was $538,525 as compared to a loss of $563,113 in 2011. The decrease in net loss is attributable to a decrease in write-down of exploration and evaluation expenditures by $444,062 to $4,624 (2011 – $448,686), an increase in flow-through share premium recovery of $18,000 (2011 - $Nil) offset by an increase in exploration activities on its properties by $197,492 to $205,817 (2011 – $8,325) and an impairment of investments of $289,083 (2011 – $Nil).

Promotion and travel costs were $11,885 in the period as compared to $9,017 in 2011. Promotion and travel costs have remained relatively steady as the Company continues to reduce expenses to preserve its cash. These costs are expected to remain consistent in the upcoming quarters.

The Company's management and consulting fees for the three month period ended December 31, 2012 were $15,000 as compared to $11,088 in 2011. These costs are expected to remain consistent in the upcoming quarters.

The Company's professional fees for the three month period ended December 31, 2012 were $21,261 as compared to $56,221 in 2011. Professional fees decreased as a result of lower legal fees. These costs are expected to remain consistent in the upcoming quarters.

The Company's premises and office, general and administration for the three month period ended December 31, 2012 were $5,495 and $6,105 respectively as compared to $12,379 and $17,267 in 2011. These costs are expected to remain consistent in the upcoming quarters.

YEAR ENDED DECEMBER 31, 2012

Net loss for the year ended December 31, 2012 was $1,009,537 as compared to $1,897,481 in 2011. The decrease in net loss is attributable to a write-up of exploration and evaluation expenditures by $743,626 to $129,800 (2011 – write-down of $613,826), an increase in flow-through share premium recovery of $161,000 (2011 - $Nil) and a decrease in exploration activities on its properties by $46,495 to $747,177 (2011 – $793,672) offset by an impairment of investments of $289,083 (2011 – $Nil).

Promotion and travel costs were $40,661 in the period as compared to $65,154 in 2011. Promotion and travel costs decreased as the Company continues to reduce expenses to preserve its cash.

The Company's management and consulting fees for the year ended December 31, 2012 were $60,000 as compared to $105,640 in 2011. Management and consulting fees decreased as the Company continues to reduce expenses to preserve its cash.

The Company's professional fees for the year ended December 31, 2012 were $70,081 as compared to $160,530 in 2011. Professional fees decreased as a result of lower legal fees.

The Company's premises and office, general and administration for the year ended December 31, 2012 were $21,031 and $49,927 respectively as compared to $37,995 and $87,481 in 2011. These costs decreased as the Company closed its Nevada office.

The Company had stock-based compensation expense of $24,000 (2011 - $25,000) for the year ended December 31, 2012. Stock-based compensation expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model.

FINANCINGS

Private Placements

2013

On February 28, 2013, the Company completed a private placement of 2,600,000 units at a price of $0.05 per unit for proceeds of $130,000. Each unit consists of one common share and one common share purchase warrant, each whole warrant entitling the holder to purchase one common share for $0.10 for two years.

2012

On August 15, 2012, the Company completed a private placement totaling 4,763,333 flow-through shares at $0.085 each for total proceeds of $404,883. The flow-through shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers.

On February 15, 2012, the Company completed a private placement of 2,000,000 units at a price of $0.05 per unit for proceeds of $100,000. Each unit consists of one common share and one common share purchase warrant, each whole warrant entitling the holder to purchase one common share for $0.10 until November 15, 2012.

2011

During the year ended December 31, 2011, the Company received proceeds of $502,500 through the exercise of 5,527,500 warrants.

MINERAL EXPLORATION PROPERTIES

None of the Company's properties are at or near production. As at April 30, 2013, the Company had the following mineral properties under exploration:

Black Warrior
On May 20, 2008, the Company acquired a 100% interest in 2 patented claims for US$25,000.

The Company holds a 100% interest in 35 unpatented lode claims in Esmeralda County, Nevada. The vendors retained a 2% net smelter royalty ("NSR") on the property, of which the Company has the option to purchase half for US$1,000,000.

Byers
The Company holds a 100% interest in 12 unpatented mining claims in the Byers, Thorburn and Moberly Townships in Ontario. The vendors retain a 2% NSR on the property, of which the Company has the option to purchase half for $1,000,000.

The Company holds a 100% interest in 1 unpatented mining claim in Byers Township in Ontario. The vendors retain a 2% NSR on the property, of which the Company has the option to purchase half for $1,000,000.

Chester/Yeo
On March 4, 2010, the Company completed an agreement to acquire 100% interest in 3 unpatented claims in Yeo and Chester Townships near Timmins, Ontario. As consideration for the agreement, the Company paid $15,000 in cash and issued 150,000 shares of the Company valued at $18,000. The vendors retain a 2% NSR on the property, one half of which can be purchased for $1,000,000.

On May 19, 2010, the Company completed an agreement to sell an 80% interest in its Chester/Yeo property. Under the terms of the agreement, Crown received a one-time payment of $120,000. Crown will retain a 20% carried interest until the completion of a positive pre-feasibility study.

Mora
On October 10, 2012 the Company signed a Definitive Agreement (the "Agreement") with Pasofino Gold Corporation ("Pasofino"), an arm's length Canadian private company with a gold exploration property in the Caldas province of Colombia. Under the terms of the Agreement, Crown will potentially acquire Pasofino (the "Transaction") for 34,089,104 common shares of Crown. The Agreement is subject to a number of conditions including completion of due diligence on title and geology, approval by each company's board of directors, completion of formal documentation, and any necessary shareholder and regulatory approvals. This agreement has gone through several amendments and now is now subject to completion within 60 days of Crown commencing drilling on the Mora property.

Crown has paid on behalf of Pasofino US$150,000 in property payments to date. Pasofino, through a wholly owned subsidiary owns the Mora property in the Caldas province of Colombia. The Mora property is over 700 hectares in size with numerous artisanal adits presently being worked, and is adjacent to Gran Colombia Gold Corporation's producing Marmato property which hosts over 14 million ounces of gold. Crown expects to be conducting field work over the next month as part of its due diligence. If the Transaction closes Crown will also assume $3.2 million in future property payments that Pasofino must make pursuant to obligations made on completion its purchase of the Mora property.

Timore

On October 8, 2009, the Company entered into an option agreement to acquire a 100% interest in patented claims covering 3 gold exploration properties near Timmins, Ontario and 1 gold exploration property near Red Lake, Ontario, for $20,000 plus legal fees in cash (paid) and 1,500,000 (issued) shares of the Company valued at $97,500. Under the terms of the agreement, the Company must incur $1,000,000 in exploration expenditures in annual stages of $300,000, $300,000 and $400,000 respectively over a three year period ending October 15, 2012. These expenditures have been completed and the Company has earned 100% of these claims. The vendor will retain a 3% NSR, one half of which can be purchased for $1,000,000.

Warren Whiteside

On January 29, 2008, the Company acquired a 100% interest in 14 patented mining claims in Whiteside Township in Ontario (the "Warren Properties") by a payment of a deposit of $5,000 on December 18, 2007, the payment of $45,000 and the issuance of 500,000 common shares of the Company valued at $100,000. The vendors retain a 1.5% NSR on the Warren Properties, of which the Company has the option to purchase half for $1,000,000.

On January 30, 2008, the Company acquired a 100% interest in 2 unpatented mining claims in Whiteside/Massey Township in Ontario (the "Lalonde-Whiteside Properties") by issuance of 500,000 common shares of the Company valued at $30,000. The vendors retain a 2% NSR on the Lalonde-Whiteside properties, of which the Company has the option to purchase half for $1,000,000.

On July 31, 2008, the Company acquired 3 unpatented mining claims adjoining the Warren Whiteside Property (the "Warren Add-on Property") for 240,000 common shares of the Company valued at $81,600. The vendors retain a 2% NSR on the Warren Add-on Property, of which the Company has the option to purchase half for $1,000,000.

Recent Exploration Results

Red Lake, Ontario

In August and September 2012, Crown completed a drilling program that totaled 1,492 meters over 3 holes.

The Company's deep hole, MK 12-36, intersected a sub parallel quartz veining system at a depth of 300m west of Bishops Break as well as the proven structural correlation of the Bishops Break vein system at a depth of 1100m.

Two short holes were drilled down plunge of the auriferous zone defined by the 2010-11 drilling:

- MK12-37 intersected 17g/t Au (0.5 Oz/Tonne) over 150cm including 25g/t Au (0.7 Oz/Tonne) over 100cm. 92m total drilled (60TCA= True width of 87% of measured).
- MK-12-38 intersected 28g/t Au (0.8 Oz/Tonne) over 125cm including 53g/t Au (1.6 Oz/Tonne) over 65cm. 137m total drilled (60TCA = True width of 87% of measured).

OBJECTIVES AND MILESTONES

The objectives of the Company are to explore by drilling high quality targets, particularly, the Mackenzie Island project in Red Lake, near Dryden, Ontario, and completing the acquisition of the Mora property in Colombia.

The Company has selected the existing properties carefully. Nonetheless, the Company intends to continue to seek, evaluate and, if desirable, complete potential acquisitions. Properties that fail the good target criteria after further evaluation are discarded.

In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as presence of mineralization in favourable geological settings or exploration history, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish mineral resources; the fact that expenditures made by the Company may not result in discoveries of commercial quantities of minerals; environmental issues; land title; competition; and the potential failure of the Company to generate adequate funding for any such acquisitions or exploration activities. See "Risk Factors".

LIQUIDITY

Operating Activities

Cash flow used by operating activities during the year ended December 31, 2012 was $1,181,470 compared to cash flow used of $1,091,128 during the same period in 2011.

Financing Activities

During the year ended December 31, 2012, cash flow used in financing activities was $3,184,653 (2011 – provided $502,500) mainly as a result of a one-time special dividend payment of $3,650,000 (2011 - $Nil) offset by cash, net of issuance costs provided of $465,347 (2011 - $502,500) from 6,763,333 (2011 - Nil) shares issued through private placements and Nil (2011 – 5,527,500) warrants exercised in the year. These financings were completed to allow the Company to acquire and advance its mineral exploration projects.

Investing Activities

Cash flow provided from investing activities during the year ended December 31, 2012 was $4,388,867 compared to $100,000 during the same period in 2011.

Liquidity Outlook

Crown had cash of $181,083 available as at December 31, 2012, an increase of $22,744 from the balance at December 31, 2011 of $158,339.

As at December 31, 2012, the Company had working capital of $180,455, an increase of $208,276 from the working capital deficiency of $27,821 at December 31, 2011, due to the sale of mineral properties in the year.

The current cash will be used to continue exploration programs at Crown's property on McKenzie Island in Red Lake, Ontario and completion of the Pasofino Transaction to acquire the Mora property, as well as for general working capital purposes and other property commitments. The Company will look to complete private placement financings or the sale of mineral property assets to help fund ongoing operations in 2013.

Notwithstanding success to date in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company and, as such, alternative funding programs are also being pursued by the Company.

The Company must utilize its current cash reserves, funds obtained from the exercise of warrants, if any, and other financing transactions to maintain the Company's capacity to meet working capital requirements, and ongoing discretionary and committed exploration programs, and to fund any further development activities. The Company anticipates that it will raise additional capital when and if the opportunity arises. See "Risk Factors".

The Company believes that it will be able to raise funds in the short-term. Management will monitor the current market situation and make prudent business decisions as they are required. See "Risk Factors".

On the date of this MD&A, the cash resources of the Company are held in cash with a major Canadian financial institution.

Accounts receivable are comprised of sales tax receivables from the Government of Canada.

OFF STATEMENT OF FINANCIAL POSITION TRANSACTIONS

During the year ended December 31, 2012, there were no off statement of financial position transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

PROPOSED TRANSACTIONS

There are currently no material proposed transactions, either than the proposed Transaction with Pasofino.

DIVIDENDS

The Company declared on September 7, 2012 and paid on September 25, 2012 a dividend of $0.04/share or $3,650,000 in total dividend payments as part of the requirements under agreement regarding the sale of the Monte Cristo property to a subsidiary of Hecla.

The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any additional dividends on its common shares in the foreseeable future.

CONTINGENCIES AND COMMITMENTS

There were no outstanding contingencies or commitments as of the date of this MD&A.

RELATED PARTY TRANSACTIONS

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other services to Crown. All transactions were conducted in the normal course of operations and are measured at the exchange amounts as follows:

	December 31, 2012	December 31, 2011
Balances:		
Amount included in trade and other payables, due to a director and or officer	**$ 1,000**	$ 28,000
Amount included in trade and other payables, due to a law firm, of which a director and shareholder is a director of the Company	**47,000**	154,000
	$ 48,000	$ 182,000

Amounts due to directors and officers are non-interest bearing, have no set terms of repayment and are due on demand.

Transactions during the year ended December 31,	**2012**	2011
Legal fees incurred to a law firm, of which an executive officer is a director of the Company as follows:		
Professional fees	**14,000**	97,000
Share issue costs	**11,000**	-
Exploration and evaluation expenditures	**135,000**	-
	$ 160,000	$ 97,000

Compensation of Key Management Personnel

	December 31, 2012	December 31, 2011
Balances:		
Short-term employee benefits	**$ 100,000**	$ 146,000
Share based payments	**22,000**	-
Total compensation paid to key management	**$ 95,000**	$ 146,000

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

	Year Ended December 31, 2012	Year Ended December 31, 2011
Evaluation and exploration expenditures in the year		
Acquisition and staking costs	**$ 249,641**	$ 228,470
Geological consulting	**-**	75,200
Drilling	**267,280**	225,639
Assaying	**23,557**	35,270
Consulting	**98,003**	39,059
Surveying	**-**	1,460
Labour	**13,850**	31,399
Taxes	**15,780**	65,007
Travel, equipment rental and other	**79,066**	92,168
	$ 747,177	$ 793,672

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table sets forth information concerning the outstanding securities of the Company as at April 30, 2013:

Common Shares of no par value	Number
Shares	93,850,000
Warrants	2,600,000
Options	3,400,000

See note 11 to the audited consolidated financial statements for the years ended December 31, 2012 and 2011 for more detailed disclosure of outstanding securities data.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements are in conformity with IFRS and require management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of trade and other receivables, valuation of deferred income tax amounts, asset retirement obligation amounts and the calculation of share-based payments and warrants. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Calculation of share based payments and warrants

The Black-Scholes option pricing model is used to determine the fair value for the share based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Income Taxes
Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. The Company follows the liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities recorded at the statement of financial position date could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

Financial Instruments and other Instruments

Fair Value of Financial Assets and Liabilities
The Company's financial instruments comprise cash, marketable securities, accounts receivable and accounts payable and accrued liabilities.

The Company has designated its cash as FVTPL, which is measured at fair value. Investments are classified as available for sale, which are measured at fair value. Fair value of investments is determined based on transaction value and is categorized as Level 1 measurement. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value due to their short-term nature. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value due to their short-term nature.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
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- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

Financial Instrument Risk Exposures
It is management's opinion that the Company is not exposed to significant interest or credit risks arising from its financial instruments and that their fair values approximate their carrying value unless otherwise noted. Fluctuation in currency exchange rates, principally the Canadian/US dollar exchange rate, can impact the Company's earnings and cash flows.

Risks and Uncertainties

Political Risk

All of the Company's properties are located in Canada and the United States of America. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in these countries. The Company's mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Interest Rate Risk

The Company invests cash surplus to its operational needs in investment-grade short-term deposits certificates issued by the bank where it keeps its Canadian bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short-term deposits certificates.

Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on its investments. The Company's other financial instruments (cash, accounts receivable, accounts payable and accrued liabilities) are not subject to price risk.

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company may not always own 100% of the mineral claims, concessions, rights or other interests. Similarly, any non-compliance with or non-satisfaction of the terms of an option agreement by the Company could affect its ability to exercise the option and earn its interest in the claims, concessions and assets relating to mineral properties.

Mining claims, concessions or other interests may not include surface rights and there can be no assurance that the Company will be successful in negotiating long-term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations.

The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Foreign Currency Risk
The Company's exploration and evaluation activities are substantially denominated in Canadian dollars and, to a lesser degree, in United States dollars. The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial institution.

Commodity Price Risk
The price of the common shares in the capital the Company, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold, silver and other commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests in properties related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Environmental and Permitting
All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Additional Capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Internal Control over Financial Reporting
Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

OTHER INFORMATION

This MD&A of the financial position and results of operations as at December 31, 2012, should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the years ended December 31, 2012 and 2011. Additional information will be accessible at the Company's website www.crowngoldcorp.com or through the Company's public filings at www.sedar.com.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board. The consolidated financial statements were prepared by the Company's management in accordance with IFRS. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the consolidated financial statements are presented fairly in all material respects.

The Company has designed appropriate internal controls over financial reporting ("ICFR") for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

The Company's ICFR are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with applicable IFRS. ICFR should include those policies and procedures that establish the following inter-related, non-discrete results:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of the Company's assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board ; and

- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

There have been no changes in ICFR during the year ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this MD&A. The consolidated financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved these audited consolidated financial statements on the recommendation of the Audit Committee.

Stephen Dunn
President
April 30, 2013