MISTANGO RIVER RESOURCES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DECEMBER 31, 2010

The following is Management's Discussion and Analysis ("MDA") of the financial condition and results of operations to enable a reader to assess material changes in financial condition and results of operations for the three and twelve months ended December 31, 2010. This MDA has been prepared as at April 26, 2011, unless otherwise indicated. This MDA is intended to supplement and complement the unaudited financial statements and notes thereto as at and for the three and twelve months ended December 31, 2010, which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Overview

Mistango River Resources Inc. ("MRR" or the "Company") (formerly GLR Resources Inc.) is a Canadian-based junior mining and exploration company incorporated under the Canada Business Corporations Act which currently holds a portfolio of exploration stage projects in Ontario and Quebec which MRR continues to evaluate. Recent developments include the following:

- Effective September 27, 2010, the Ontario Securities Commission revoked its permanent cease trade order on trading in the Company's shares. By September 30, 2010, all securities commissions had provided similar revocations.
- During November 2010, the Canadian National Stock Exchange ("CNSX") approved the listing of the Company's common shares for trading.
- On November 11, 2010, MRR's common shares commenced trading on the CSNX under the symbol **GLE**.
- On October 28, 2010, Linear, now Brigus Gold Corp. ("Brigus"), notified the Company that it was refusing to pay MRR the amount of US$1,799,900 (the "Yantai reimbursement") which became payable on October 31, 2010. MRR through its legal counsel demanded payment of the Yantai reimbursement by November 16, 2010;
- Subsequent to December 31, 2010, Brigus and MRR reached an agreement regarding the reimbursement by Brigus to MRR. Pursuant to the agreement, as amended, Brigus issued to GLR 1,396,134 common shares of Brigus valued at $2,443,235 based on a deemed price of $1.75 per share and is making cash payments aggregating $60,000. The agreement was subject to receipt of requisite regulatory approvals and discontinuance of the outstanding legal action between Brigus and MRR.
- At a Special Meeting of shareholders held on March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one new common share for four old common shares and change the Company's name to Mistango River Resources Inc. On March 20, 2011 the Company's shares commenced trading on the CNSX under the symbol MIS.

Selected Annual Financial Information

Expressed in Canadian dollars, except share amounts	2010 $	2009 $	2008 $
Cash and cash equivalents	210,139	154,070	114,963
Property, plant and equipment	105,062	128,449	6,970,944
Mineral properties and deferred expenditures	2,620,434	1,936,657	2,400,865
Total assets	3,219,487	4,355,805	9,904,015
Working capital (deficiency)	(187,827)	226,166	(3,023,944)
Long-term liabilities	31,879	46,462	-
Cash used in operations	(550,105)	(2,869,497)	(1,410,901)
Common shares issued for cash	-	-	3,945,125
Common shares outstanding	63,620,024	63,595,024	63,595,024
Income	(198,560)	6,907,946	369,422
Expenses before taxes	696,985	9,855,226	12,626,987
Net income (loss)	(895,545)	(2,417,280)	(11,002,253)
Other comprehensive income (loss)	185,371	(85,156)	(73,000)
Net income (loss) per share- basic and diluted	(0.01)	(0.04)	(0.18)
Dividends paid	0.00	0.00	0.00

Selected Quarterly Information

	2010 Q1	2010 Q2	2010 Q3	2010 Q4
	$	$	$	$
Revenues	61	592	53	754
Expenses	381,432	171,167	82,267	262,139
Net income (loss)	(381,371)	(170,575)	(82,214)	(261,385)
Basic and fully diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)

2009	Q1	Q2	Q3	Q4
	$	$	$	$
Income	90	294	6,942,153	(34,591)
Expenses	239,649	885,491	8,495,251	234,835
Net income (loss)	(239,559)	(885,197)	(1,553,098)	260,574
Basic and fully diluted loss per share	(0.00)	(0.01)	(0.02)	0.00

Results of Operations

Fourth Quarter Results

Interest income was nominal as cash balances continued to decline and were generally held in low bearing interest accounts.

Operating expenditures incurred during the fourth quarter of 2010 totalled $262,139 compared to $234,835 during the fourth quarter of 2009. The fourth quarter results were influenced unusually high professional fees related to obtaining revocation orders from the security commissions that allowed the Company to successfully apply for a listing on the Canadian National Stock Exchange.

Annual operating results

General office expenses were reduced as management of MRR continues to take action to reduce cash expenditures. In addition and as a result of a Saskatchewan retail sales tax audit in which the Company successfully defended its position realizing a one-time credit of $9,535 in Saskatchewan sales tax savings compared to Saskatchewan sales tax charges of $12,415 during 2009.

Public relations expense was down compared to 2009 as the Company responded to fewer shareholder requests for information during the period the Company's shares did not trade and awaited disposition from the bankruptcy court. Shareholder expenses increased substantially compared to 2009 as a consequence of filing and regulatory fees and penalties paid upon filing 2008 and 2009 audited financials, quarterly results for each of the quarters in 2009 and successfully applying for a listing on the Canadian National Stock Exchange ("CNSX").

Management fees, salaries and benefits increased $155,482 from costs recorded in 2009. The perceived increase results from the partial reversal of an accrual recorded in 2008. During 2008, the Company provided for contingent consideration of approximately $360,000 to a former employee pursuant to a contractual arrangement. The employee, who is a former officer of the Company, appealed the disallowance of his claim for severance, punitive damages and reimbursement of legal costs. During May 2010, the Company and the former officer reached a settlement whereby the Company paid $125,000, in cash, and delivered equipment which had been previously written off. The Trustee paid the cash portion to settle the claim and the Company executed a bill of sale that delivered the equipment to the former officer. As part of the settlement, each of the former officer and the Company released each other from further claims.

Effective July 1, 2010, the Chief Financial Officer's role was reduced from full time to part time and his related management fee was reduced. The President's role and related management fee has not changed.

Except for the costs described below, all head office costs were reduced to a minimum to minimize cash outflow. Reference should be made to comments under the caption *Cash Resources and Liquidity*.

During 2010, interest and finance charge expense was $5,541 compared to $315,932 during 2009. Interest costs during 2009 include an accrual of approximately $185,250 in respect of potential penalties that may be assessed should Canada Revenue Agency disagree with the Company's classification of certain expenditures. Current year interest charges relate to financing of a truck purchased for use in exploration activities and continuing interest on unremitted Part XII.6 tax.

Management will continue to reduce corporate activity during the full year of 2011 in an effort to minimize use of cash.

Restructuring costs continued during 2010 as a consequence of further legal and trustee billings related to negotiating a settlement of severance pay payable to the former operating officer and other administrative matters. The Trustee has informed the Company that he has certified and filed with the official receiver a certificate of full performance in the matter of the Company's proposal in bankruptcy. The certificate was dated June 15, 2010.

Professional fees are comprised of $63,443 in respect of general corporate and litigation legal work (2009-$139,832) and $72,008 in audit fees (2009-$33,000). During 2009, professional fees also included $86,750 in respect of fees charged by directors serving on the Special Committee established to oversee the bankruptcy proceedings.

The Company realized a foreign exchange loss of $118 compared to a gain of $29,594 which arose from holding United States dollars realized on the sale of its Goldfields assets to Brigus Gold Corp. (formerly Linear Gold Corp.) during August 2009 pursuant to its proposal under the *Bankruptcy Insolvency Act (Canada).*

During 2009, the Company recognized a future tax benefit of $530,000 as a result of renouncing $2,000,000 of Canadian exploration expense pursuant to provisions contained in the *Income Tax Act (Canada)*.

As a result of its activities, the Company recorded a net loss of $895,545 or $0.01 per share during 2010 compared to a net loss of $2,417,280 or $0.04 per share during 2009.

Capital Resources and Liquidity

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and on the assumption that MRR will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business as a going concern. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing and reach positive cash flows from operations.

On January 7, 2009, shares of the Company were de-listed from trading on the Toronto Stock Exchange for failure to meet continued listing requirements. On April 27, 2009, the Ontario Securities Commission issued a permanent cease trade order that halted all trading in and all acquisitions of securities of MRR for failing to file continuous disclosure materials as required by Ontario securities law. This had the effect of severely limiting the Company's ability to raise funds in already distressed capital markets. On September 27, 2010, the Ontario Securities Commission revoked the cease trade order. By September 30, 2010, all securities commissions had provided similar revocations.

Following receipt of the revocation of the cease trading orders, the Company applied to list its common shares for trading on the CNSX. The listing was approved and the Company's common shares commenced trading on November 11, 2010 under the symbol **GLE**.

At a Special Meeting of shareholders held on March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one (1) new common share for four (4) old common shares (the "Consolidation") and change the Company's name to Mistango River Resources Inc. Fractional shares remaining after giving effect to the Consolidation will be cancelled such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-Consolidation common shares. On March 23, 2011, Articles of Amendment were filed to give effect to the disclosed changes. The Class A Voting Common Shares now trade on the CNSX under the symbol **MIS.**

Capital Resources

As at December 31, 2010, the Company had a working capital deficiency of $187,827. On October 28, 2010, Brigus notified the Company that it was refusing to pay MRR the amount of US$1,799,900 (the "Yantai reimbursement") which became payable on October 31, 2010. MRR through its legal counsel demanded payment of the Yantai reimbursement by November 16, 2010. Subsequent to December 31, 2010, the Company commenced action against Brigus to recover the amounts owed to it. Subsequent to December 31, 2010, Brigus and MRR reached an agreement, as amended, regarding the reimbursement by Brigus to MRR. Pursuant to the agreement, Brigus issued to MRR 1,396,134 common shares of Brigus valued at $2,443,235 based on a deemed price of $1.75 per share and make cash payments aggregating $60,000. The settlement also included final payment on the outstanding balance related to the equipment manufactured in Australia. The agreement was subject to receipt of requisite regulatory approvals and discontinuance of the outstanding legal action between Brigus and MRR, now received.

The shares received are subject to a four month hold period which will end in June 2011. At that time, MRR will be able to liquidate its holdings and fund its on-going operations.

Liquidity

Future Sources of Funds

Now that the Class A Voting Common Shares of the Company are trading on a recognized exchange, the Company has the potential to issue equity to fund its operations and increase liquidity.

Effective December 19, 2009, the Company was able to sell its investment in Linear shares following a four month hold on the shares from the date of closing on the sale of the Goldfields Mine with Linear. MRR sold its entire holding of 727,272 Linear shares for aggregate gross proceeds of $1,350,824 which were used to fund 2010 operations.

Legal Proceedings

Following settlements with each of the Company's former Chief Operating Officer and Brigus, there are no material outstanding claims against the Company.

Commitments and Contingencies

The Company may become subject to tax audits of the flow-through expenditures renounced to investors; however, the Company believes that all Canadian Exploration Expenditures were effected and renounced in compliance with the prescribed regulations of the *Income Tax Act (Canada)*.

The Company has entered into a one-year lease extension for its current location in Kirkland Lake with a Company owned by the President of the Company.

Mineral properties

The following table summarizes the Company's exploration activity during 2010:

	Opening Balance ($)	Additions ($)	Write-downs ($)	Net ($)
Sackville, Ontario	311,436	132,332	-	**443,768**
Goldie, Ontario	511,825	-	-	**511,825**
Baldwin/Omega, Ontario	463,509	129,419	-	**592,928**
Kirkland West, Ontario	251,180	1,209	-	**252,389**
Casa Berardi, Quebec	262,704	416,401	-	**679,105**
General and other	136,003	24,592	(20,176)	**140,419**
	1,936,657	703,953	(20,176)	**2,620,434**

Sackville Property

MRR holds a 100% interest in the Sackville Property with RJK Explorations Ltd. retaining a 1% NSR. MRR has now received all the geochemistry samples undertaken during 2010. Upon reviewing this data and older data, there appears to be a significant area of high enzyme leach geochemistry results in an area of low magnetics. This is an area yet to be tested by any drilling and has been tested only partially by geophysics. The property could potentially be the host of the high grade gold/silver/zinc boulders discovered previously. In 2010 MRR completed a 43-101 report on the property which can be reviewed on www.sedar.ca or the company's website at www.mistangoriverresources.com .

Baldwin/Omega Property

Line cutting has now been completed and deep penetrating induced polarity survey (IP) commenced during March 2011. MRR considers the Omega property to have excellent potential to host an economic gold deposit.

The following is excerpted from a report prepared by Guy Hinse P.Eng. and dated May 7 1986:

> "Historic production from the previous owner Omega Gold Mines was 1,584,264 tons with an average grade of 0.158 ounces gold per ton from 1936 to 1947. None of the forgoing is 43-101 compliant and should not be relied on. It is presented as historical information only. The property lies along the Larder Lake "break", a major structure defined by the presence of carbonate rocks. This structure is highly favourable to economic concentrations of gold values.
>
> Using a cut off grade of 0.10 ounce per ton, a minimum mining width of 4 feet and all assays cut to 1 ounce. Drill indicated reserves were estimated at 269,934 tons of 0.160 oz Au/ton (5.48 g/t Au) mostly above the 300 foot level. This estimate is non 43-101 compliant and is not to be relied upon. Undoubtedly there remains an unknown quantity of low grade material in the wall and peripheries of the mined out ore zones."

Kirkland West Property

The Company is reviewing all its historical work on this property to outline an exploration program to be executed late in 2011.

General

The Company has no exploration or evaluation work planned for its other exploration properties during 2011. Timing of receipt of proceeds from the sale of Brigus shares and/or participation in a flow-through share arrangement will affect timing of exploration and development of each of Baldwin/Omega and Sackville properties during 2011.

Dividend Record

There are no restrictions that prevent the Company from paying dividends. The Company has not paid any dividends on its common shares during the last 5 fiscal years. The Company currently has no intention of paying any dividends on its Class A common shares. The Board of Directors of the Company will determine if and when dividends should be declared and paid in the future, based on the Company's financial position at the relevant time.

Disclosure Controls and Procedures

Management is responsible for the preparation and presentation of the annual and interim financial statements and information disclosed in management's discussion and analysis ("MDA") and has in place the appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

During 2010, management was comprised of three officers, the Chief Executive Officer, the Vice-president, Finance and the Corporate Secretary who were involved in preparation of the financial statements. The involvement of these officers in all aspects of the design and operation of disclosure controls and procedures is considered effective as at and for the year ended December 31, 2010 and provides reasonable assurance that all material information relating to the Company is disclosed.

The audit committee, which was comprised of three independent directors, was actively involved in approving and reviewing the Company's quarterly and annual financial statements and related MDA. The financial statements and information contained in the MDA necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information management must interpret the requirements described above, make determinations as to the relevancy of information to be included and make estimates and assumptions that affect reported information. The MDA may also include information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results, in the future, may differ materially from management's assessment of this information.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis disclosure controls and procedures and internal controls on financial reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Changes in Management Duties

Effective July 1, 2010, the Senior Vice-president, Chief Financial Officer and Co-CEO stepped down to become a part-time Vice-president, Chief Financial Officer. Effective December 31, 2010, the CFO's contract was terminated; however, he continued to provide services for purposes of maintaining continuity of through the first quarter of 2011.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in Canada requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the reporting period.

The financial statements follow the same accounting policies and methods set forth in the Company's audited financial statements as at and for the years ending December 31, 2010 and 2009.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB's strategic plan outlines the convergence of Canadian GAAP with IFRS over a five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Company will be required to adopt IFRS on January 1, 2011. The transition will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010 and the balance sheet as at January 1, 2010.

Changeover to International Financial Reporting Standards

During the first quarter of 2011, the Company developed a strategic plan to convert to IFRS through the use of an outside consultant. The initial results of this plan have been presented to the audit committee for its consideration.

The consultant has identified the following accounting policies that may require adjustment.

1) Capitalization of property, exploration costs and deferred expenditures;
2) Impairment of property, exploration costs and deferred expenditures;
3) Classification of property, exploration costs and deferred expenditures as development costs; and
4) Treatment of stock-based compensation.

The Board of Directors will be reviewing the recommended accounting policies and approving their implementation following release of the financial statements for the year ended December 31, 2010. The current plan does not include a recommendation to change the information technology equipment and programs.

The Company will be using the services of the accounting services consultant to prepare the first quarter financial statements, including the comparative figures for 2010. The accounting service provider has professional staff competent in the preparation of IFRS-based financial statements.

The following table outlines the Company's transition and progression to IFRS:

Initial analysis of key areas for which changes to accounting policies may be required.	Completed
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Completed
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Completed
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	Q1 2011
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Q1 2011
Management and employee education and training	Throughout the transition process

The Company continues to monitor the deliberations and progress on plans to converge to IFRS by accounting standard setting bodies and securities regulators in Canada.

Related Party Transactions

The financial statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

	2010	2009
Transactions during the year:	$	$
Exploration expenditures	59,000	49,234
Management and professional fees	243,000	393,000
Administrative costs	22,245	24,126
Automotive equipment	-	17,000
Related party advances and fees receivable:	$	$
Other (non-interest bearing, no fixed terms of repayment)	14,264	9,128
	14,264	9,128
Related party payables included in:	$	$
Accounts payable and accrued liabilities	2,301	101,699

Exploration expenditures were indirectly paid to a sibling of a director and President of MRR. During 2010, the Company indirectly paid $243,000 to senior officers of the Company (2009-$306,250) to senior officers of the Company for management services rendered and, during 2009, $86,750 to three directors in their capacity as members of the Special Committee. Administrative costs are comprised of rent paid to a company controlled by the President of the Company.

Other related party receivables are miscellaneous expense advances for which expense reports have not cleared at period end.

Accounts payable is comprised of $2,301 in respect of expense reports from the Chief Financial Officer and exploration manager and December 31, 2009 is comprised of $75,750 payable to members of the Special Committee for fees earned during the period that the Company was subject to the forbearance agreement with Blackfish and BIA proceedings. The remainder of 2009 accounts payable consists of fees payable in respect of exploration costs and the purchase of a truck at a cost of $17,000 from the brother of the President. The latter cost was not incurred in the normal course of business.

Share Capital

MRR's share capital consists of an unlimited number of Class A voting common shares and an unlimited number of non-voting, redeemable Class B Preferred Shares, Series A. This series of shares is redeemable by MRR, in whole or in part, at the rate of $1,000 per Series A share. The holders of Series A shares are not entitled to receive dividends. There were no Class B, Series A Preferred Shares issued as at the date of this MDA.

As at April 20, 2011	Pre-consolidation	Post-consolidation
Class A common shares issued	63,595,024	16,280,222
Shares issuable pursuant to:		
Warrants	-	-
Stock options	835,000	208,750
Fully diluted	64,430,024	16,488,972

On March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one new common share for four old common shares and change the Company's name to Mistango River Resources Inc. Fractional shares remaining after giving effect to the Consolidation will be cancelled such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-Consolidation common shares.

In accordance with the rules of CNSX, trading commenced on a post-consolidated basis under the name Mistango River Resources Inc. at the opening of trading on March 21, 2011 under the new stock symbol "MIS".

Risks

There is uncertainty about the Company's ability to realize the carrying value of its assets and discharge its liabilities as they come due. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing and reach positive cash flows from operations.

The Company's assets are subject to the risk of increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations. Operational risks include finding and developing economic ore reserves. Financial risks include interest and U.S. dollar exchange rates, which are beyond the control of the Company. The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of exploited minerals and metals. The Company is subject to various regulatory risks, many of which also are beyond the control of the Company.

The Company is considered to be in the exploration stage and has not yet recorded any revenues from its on-going operations nor has the Company commenced commercial production on any of its properties. There can be no assurance that the Company will generate any revenues or that the assumed levels of expenses will prove to be accurate.

The Company expects to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require substantial resources to complete the development of its properties. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future.

The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of on-going development, the results of consultant's analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

The Company's vulnerability to changes in metal prices may cause its share price to be volatile and may affect the Company's operations and financial results.

Changes in the market price of precious and base metals will significantly impact the ability of the Company to finance its operations and, indirectly, its share price. The Company's financial results will be very sensitive to external economic factors related to metal prices. A major risk will arise if there is a prolonged period of lower metal prices. Many factors beyond the Company's control influence the market price of the metals the Company seeks on its mineral properties. These factors include: global supply and demand; availability and costs of metal substitutes; speculative activities; international political and economic conditions; and production levels and costs in other gold-producing countries.

The Company is subject to extensive environmental legislation and the costs of complying with these regulations may be significant. Changes in environmental legislation could increase the costs of complying with applicable regulations and reduce levels of production. Environmental legislation relating to land, air and water affects nearly all aspects of the Company's operations. This legislation requires the Company to obtain various operating licenses and also imposes standards and controls on activities relating to exploration, development and production of gold and other precious metals. The cost of obtaining operating licenses and abiding by standards and controls on its activities may be significant. Further, if the Company fails to obtain or maintain such operating licenses or breaches such standards or controls imposed on its activities, it may not be able to continue its operations in its usual manner, or at all, or the Company may be subject to fines or other claims for remediation which may have a material adverse impact on its operations or financial results. The Company will be responsible for all costs of closure and reclamation at the Goldfields Mine. While the Company is unaware of any existing material environmental liabilities, it cannot guarantee that no such liabilities currently exist or will occur in the future.

Changes in environmental laws, new information on existing environmental conditions or other events may increase future compliance expenditures or otherwise have a negative effect on the Company's financial condition and results of operations. In addition to existing requirements, it is expected that other environmental regulations will likely be implemented in the future with the objective of protecting human health and the environment. Some of the issues currently under review by environmental agencies include reducing or stabilizing air emissions, mine reclamation and restoration, and water quality. Other changes in environmental legislation could have a negative effect on production levels, product demand, product quality and methods of production and distribution. The complexity and breadth of these issues make it difficult for the Company to predict their impact. The Company expects that capital and operating expenditures will increase as a result of compliance with the introduction of new more stringent environmental regulations. Failure to comply with environmental legislation may result in the issuance of clean-up orders, imposition of penalties, liability for related damages and the loss of operating permits. While the Company believes it is now in material compliance with existing environmental legislation, it cannot give assurances that it will, at all future times, be in compliance with all federal and provincial environmental regulations or that steps to bring the Company into compliance would not have a negative effect on its financial condition and results of operations. The mining industry is intensely competitive and the Corporation must compete in all aspects of its operations with a substantial number of other junior mining companies, some of which have greater technical and financial resources. The Company may be at a disadvantage with respect to some of its competitors in the acquisition and/or development of high potential mining properties throughout the principal markets and geographical areas in which the Company carries on its business activities.

Forward Looking Information

This MDA contains "forward looking information". In certain cases, forward looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved" and include the negative variation of such phrases.

With respect to forward looking information contained in this MDA, the Company has made assumptions regarding, among other things to satisfy the listing requirements of the CNSX, to generate sufficient cash flow from operations and to access capital markets to meet its future obligations, the regulatory framework in the provinces in which its properties are located with respect to, among other things, permits, licenses, authorizations, royalties, taxes and environmental matters, and the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's needs.

Although the Company believes that its expectations reflected in forward looking information are reasonable, such forward looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or the Company's projects, or any of them, to be materially different from any future results, performance or achievements expressed or implied by the forward looking information. Such factors include, risks related to uncertain outcome of any litigation, changes to listing CNSX listing requirements, failure to convert estimated mineral resources to reserves, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of base and precious metals, unexpected increases in capital or operating costs, possible variations in mineral resources, grade or recovery rates, failure of equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental consents, permits, licences and registrations or financing, uncertainties relating to the availability and costs and availability of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices and uninsured risks, as well as those factors discussed under "Risks" in this MDA.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information. The forward looking information contained herein, unless stated otherwise, is made as of the date of this MDA and the Company makes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

"Robert J. Kasner"
President, Chief Executive Officer
and Chief Financial Officer

April 26, 2011