Form 51-102F1
KOKOMO ENTERPRISES INC.

Management's Discussion & Analysis
Annual Financial Statements (Audited) for the Year ended December 31, 2011

The following discussion and analysis of the financial condition and financial position and results of operations of Kokomo Enterprises Inc. (the "Company" or "Kokomo") should be read in conjunction with the annual audited financial statements for the years ended December 31, 2011 and 2010 and notes thereto.

These financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financing Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's financial statements are expressed in Canadian (CDN) Dollars. All amounts in this MD&A are in CDN dollars unless otherwise stated.

The following information is prepared as at April 30, 2012.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

Description of Business

The Company is a junior mineral exploration company.

Kokomo is a reporting issuer in the Provinces of British Columbia, Alberta, Quebec and Ontario and files all public documents, including an AIF in its alternate form, on www.Sedar.com . The Company is a foreign private issuer in the United States of America and in this respect files, on EDGAR, its Annual Report on Form 20-F and other reports on Form 6K. The following link, http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=825171 will give you direct access to the Company's United States Securities and Exchange Commission ("U.S. SEC") filings.

Selected Annual Information

Selected annual information from the audited financial statements for the three years ended December 31, 2011, 2010 and 2009 is shown in the following table:

		Year Ended December 31, 2011	**Year Ended December 31, 2010**	**Year Ended December 31, 2009**
Revenue	$	0	0	0
Interest income		0	27	270
Loss before other items		(332,074)	(451,427)	(484,131)
Basic and diluted loss per common share before other items		(0.02)	(0.04)	(0.13)
Net income/(loss)		(483,413)	(451,400)	(550,218)
Basic and diluted net earnings/(loss) per common share		(0.03)	(0.04)	(0.15)
Total assets		3,140	168,807	162,205
Long term financial obligations		0	0	0
Cash dividends		0	0	0

Note: Earnings (loss) per common share calculations in the above table are based on the weighted average number of shares outstanding as shown in the Annual Statements of Comprehensive Loss for the above mentioned periods

December 31, 2009 balances are prepared in accordance with Canadian GAAP and 2010 and 2011 balances are prepared in accordance with International Financial Reporting Standards

Results of Operations

All financial figures presented herein are expressed in Canadian Dollars (CDN$) unless otherwise specified.

The Company was incorporated on August 24, 1984 in British Columbia, Canada. The principal business of the Company is the acquisition, exploration and, if warranted, the development of natural resource properties.

The common shares of the Company trade on the CNSX under the symbol "KKO", and in the USA, the Company's common shares trade on the OTCQB under the trading symbol 'KKOEF'. The Cusip number of the Company's common shares is 500323100. The Company's head office is located at 1000 – 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3. The Company's transfer agent is Computershare Investor Services Inc. located at 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

At the Annual General Meeting of the Company's shareholders which was held on June 16, 2011, the shareholders received the Audited Financial Statements for the year ended December 31, 2010 and 2009 and the Auditor's Report thereon; fixed the number of Directors for the ensuing year at four; elected Bedo H. Kalpakian, Jacob H. Kalpakian, Gregory T. McFarlane and Fred A.C. Tejada as Directors of the Company; re-appointed the Company's Auditor, Smythe Ratcliffe, Chartered Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor and, re-approved the Company's 2004 Stock Option Plan.

On May 6, 2011, the Company entered into a binding letter of intent ("LOI") with Arqueana de Minerios E Metais Ltda. ("Arqueana") and its shareholders ("Arqueana Group") in respect to Arqueana's mineral concessions and Arqueana's real estate ("Arqueana's Assets"). Pursuant to the LOI, the parties agreed to enter into a Definitive Property Option Agreement within a period of 60 business days whereby the Company would have been granted the right to acquire up to a 75% right, title and interest in Arqueana's Assets by making staged cash payments totaling $800,000, issuing a total number of 7,000,000 common shares of the Company and incurring property related expenditures totaling $8,000,000 over a period of three years. Upon earning a 75% right, title and interest in Arqueana's Assets, the Company would have been obligated, subject to certain terms and conditions, to issue an additional 3,000,000 common shares of the Company and to make additional payments totaling $1,000,000. In respect to the then contemplated transaction, the Company hired the services of Wardrop, A Tetra Tech company, to prepare a technical report in accordance with NI 43-101 for a due diligence review on Arqueana's Assets which was completed and had an effective date of August 12, 2011. During the months of August and September 2011, the Company attempted to renegotiate the terms and conditions of the LOI with the Arqueana Group. However, the Company's attempts to renegotiate the terms and conditions of the LOI with the Arqueana Group were unsuccessful, as a result of which, on October 4, 2011 the Company decided not to proceed any further with the Arqueana Group in respect to Arqueana's Assets, and the Company decided to abandon this project.

On June 1, 2011, the Company entered into an Investor Relations Agreement with an arm's length party in Germany (the "Arm's Length Party") for a period of four months for a cash consideration of US $750 and the granting of 120,000 incentive stock options which are exercisable at the price of $0.15 per common share which expire on June 1, 2012. In the event that the Arm's Length Party does not exercise its incentive stock options by the expiry date, then the Company is obligated to make a cash payment of US $3,250 to the Arm's Length Party.

On February 8, 2010, the Company entered into a binding letter of intent ("LOI") with an arm's length party to acquire a 75% right, title and interest in the surface rights of the Zaniza Iron Ore Property, located in the Municipality of Sola De Vega in the State of Oaxaca in Mexico. The parties to the LOI had agreed to enter into a Definitive Agreement by March 31, 2010 ("The Deadline"). Subsequently, an Amending Agreement was entered into and was executed by the parties whereby The Deadline was extended to August 31, 2010. As the Company was unable to enter into a Definitive Agreement by the expiry of The Deadline, the Company decided not to proceed any further with this acquisition.

The Company was previously registered extra-provincially under the *Corporations Registration Act* in the Province of Nova Scotia, Canada in order to participate in a tender for a Special License in respect to the exploration of salt and potash on certain claims. The Company participated in the tender, however, due to delays in being granted a Special License, the Company withdrew its participation from the tender and the Company decided not to renew its registration as an extra-provincially registered company under the *Corporations Regulations Act* in the Province of Nova Scotia, Canada.

For the year ended December 31, 2011:-

- The Company's operating expenses were $332,074 as compared to $451,427 during the corresponding period in 2010 as compared to $484,131 during the corresponding period in 2009. The reduction in Management fees contributed to the reduction in operating expenses during the year ended December 31, 2011.

- The Company realized a loss before other items of $332,074 as compared to $451,427 during the corresponding period in 2010 as compared to $484,131 during the corresponding period in 2009.

- The Company recorded a net loss of $483,413 as compared to a net loss of $451,400 during the corresponding period in 2010 as compared to a net loss of $550,218 during the corresponding period in

2009. The impairment of mineral property interests in the amount of $151,339 contributed to the increase of the net loss during the year ended December 31, 2011.

- The basic and diluted loss per common share was $0.03 as compared to a basic and diluted loss of $0.04 during the corresponding period in 2010 as compared to a basic and diluted loss per common share of $0.15 during the corresponding period in 2009.

- The Company's total assets were $3,140 as compared to $168,807 during the corresponding period in 2010 as compared to $162,205 during the corresponding period in 2009.

- The Company had a working capital deficiency of $188,850 as compared to a working capital deficiency of $117,976 during the corresponding period in 2010 as compared to a working capital deficiency of $40,613 during the corresponding period in 2009.

- The Company's weighted average number of common shares outstanding were 15,527,451 as compared to 11,270,527 during the corresponding period in 2010 and as compared to 3,776,899 during the corresponding period in 2009.

The Company is presently not a party to any legal proceedings whatsoever.

Mineral Properties

1. Extra High Property

As at January 1, 2008 the Company held a 66% interest in the Extra High Property, with the remaining 34% interest being held by Colt Resources Inc. ("Colt"), a company that was formerly related by certain common directors and officers. The property is subject to a 1.5% net smelter returns royalty ("NSR"), 50% of which, or 0.75%, can be purchased at any time by paying $500,000 to the NSR holder.

On January 21, 2008, the Company entered into an Option Agreement (the "2008 Option Agreement") with Colt whereby Colt was granted the right and option to acquire, in two separate equal tranches, the Company's 66% undivided interest in the Extra High Property. Pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making a cash payment of $250,000 to the Company thus acquiring from the Company a 33% undivided interest in the Extra High Property. As a result of exercising the first tranche of the option, Colt increased its undivided interest in the Extra High Property to 67% and has become the operator of the Extra High Property.

In order to exercise the second tranche of the option, Colt was required to make a cash payment of $250,000 to the Company on or before December 31, 2008. Colt did not exercise the second tranche of the option. Consequently, Colt now holds a 67% undivided interest in the Extra High Property and the Company now holds a 33% undivided interest in the Extra High Property. Pursuant to the Joint Venture which the Company and Colt have formed, each party shall henceforth contribute its proportionate share of property related expenditures. If any party fails to contribute its share of future property related expenditures, then its interest will be diluted on a straight-line basis. If any party's interest is diluted to less than 10%, then that party's interest in the Extra High Property will be converted into a 0.5% net smelter returns royalty.

As at the date of this MD&A, the Company holds a 33% undivided interest in the Extra High Property.

Neither the Company nor the operator of the Extra High Property has incurred any meaningful exploration or evaluation expenditures in recent years with respect to the Extra High Property. Accordingly, the Company has recognized an impairment provision of $151,339 (2010 - $nil) (2009 - $nil) to reduce the carrying amount to $1. If there is an indication in the future that the impairment loss recognized no longer exists or has decreased, the recoverable amount will be estimated and the carrying value of the property will be increased to its recoverable amount.

Investment in the Extra High Property consists of costs incurred as follows:

	2011	2010	2009	Cumulative to 2011
Acquisition (property option payments)	$ 0	$ 0	$ 0	$ 150,000
Staking	0	0	0	3,639
Assessment and miscellaneous	0	0	0	10,311
Geological, geochemical, trenching and drilling	0	263	1,194	431,160
Colt property option payments	0	0	0	(443,770)
Impairment	(151,339)	0	0	(151,339)
	$ (151,339)	$ 263	$ 1,194	$ 1

2. Ontario Lithium Properties (Mineral Leases)

These Mineral Leases were previously written off at the end of fiscal 2000. During the year ended December 31, 2008, the Company sold all of its Mineral Leases for gross proceeds of $54,500. However, in the event that at a future date the Mineral Leases are placed into commercial production, then the Company is entitled to a 0.50% gross receipts royalty after six months from the date of commencement of commercial production.

3. Hope Creek Property

On October 24, 2008, the Company entered into an Option Agreement (the "Hope Creek Option Agreement") with two individuals, who are at arm's length to the Company, in respect to certain mineral claims which are situated in the Lillooet Mining Division in British Columbia (the "Hope Creek Property"). Pursuant to the terms of the Hope Creek Option Agreement, the Company obtained the right to acquire a 100% undivided interest in the Hope Creek Property, subject to a 1% NSR royalty, by issuing 2,000 common shares, making staged cash payments totaling $90,000 over three years, incurring not less than $50,000 in exploration expenditures on the Hope Creek Property by December 31, 2008 and incurring additional optional exploration expenditures totaling $250,000 over a period of three years. During the year ended December 31, 2008, the Company fulfilled its commitment and issued 2,000 common shares and incurred $68,654 in exploration expenditures by December 31, 2008. The $90,000 staged cash payments were optional and were payable as follows: (i) $15,000 on or before December 31, 2009; (ii) $25,000 on or before December 31, 2010; and (iii) $50,000 on or before December 31, 2011.

The Company qualified for the BC Mineral Exploration Tax Credit in the amount of $1,060 in 2009 and in the amount of $7,178 in 2008 for exploration expenses incurred on the Hope Creek Property. These amounts have been credited against expenses incurred on this property.

Investment in the Hope Creek Property consisted of costs incurred as follows:

	2011	2010	2009	Cumulative to 2011
Acquisition (property option payments)	$ 0	$ 0	$ 0	$ 1,500
Geological and geochemical	0	0	2,340	70,994
Mineral exploration tax credit	0	0	(1,060)	(8,238)
Abandonment of property	0	0	(64,256)	(64,256)
	$ 0	$ 0	$ (62,976)	$ 0

The Company conducted a diamond drilling program as of October 28, 2008 on the Hope Creek Property which was completed prior to December 31, 2008.

As the results obtained from the diamond drilling program did not meet the Company's expectations, on October 14, 2009, the Company formally terminated the Hope Creek Option Agreement and has written it off.

4. Arqueana Property, Brazil

Arqueana Property, Brazil

On May 6, 2011, the Company entered into a binding letter of intent ("LOI") with Arqueana de Minerios E Metais Ltda. ("Arqueana") and its shareholders ("Arqueana Group") in respect to Arqueana's mineral concessions and Arqueana's real estate ("Arqueana's Assets"). Pursuant to the LOI, the parties agreed to enter into a Definitive Property Option Agreement within a period of 60 business days whereby the Company would have been granted the right to acquire up to a 75% right, title and interest in Arqueana's Assets by making staged cash payments totaling $800,000, issuing a total number of 7,000,000 common shares of the Company and incurring property related expenditures totaling $8,000,000 over a period of three years. Upon earning a 75% right, title and interest in Arqueana's Assets, the Company would have been obligated, subject to certain terms and conditions, to issue an additional 3,000,000 common shares of the Company and to make additional payments totaling $1,000,000. In respect to the then contemplated transaction, the Company hired the services of Wardrop, A Tetra Tech company, to prepare a technical report in accordance with NI 43-101 for a due diligence review on Arqueana's Assets which was completed and had an effective date of August 12, 2011. During the months of August and September 2011, the Company attempted to renegotiate the terms and conditions of the LOI with the Arqueana Group. However, the Company's attempts to renegotiate the terms and conditions of the LOI with the Arqueana Group were unsuccessful, as a result of which, on October 4, 2011 the Company decided not to proceed any further with the Arqueana Group in respect to Arqueana's Assets, and the Company decided to abandon this project.

Costs incurred in respect to the Arqueana Property are as follows:

	2011
Due Diligence Report	$ 37,492
Advance payment as per Letter of Intent	2,500
Consulting	9,002
Travel	13,326
Miscellaneous	2,608
	$ 64,928

As at December 31, 2011, the Company has written-off the costs that it has incurred in respect to the Arqueana Property.

Fourth Quarter (December 31, 2011)

During the three month [fourth quarter] period ended December 31, 2011, the Company had a net loss of $297,164 or $0.02 per share as compared to a net loss of $99,544 or $0.01 per share for the same three month [fourth quarter] period ended December 31, 2010 and as compared to a net loss of $195,319 or $0.05 per share for the same three month [fourth quarter] period ended December 31, 2009.

Operating costs increased to $145,825 as compared to $99,552 for the same period in 2010 and as compared to $131,714 for the same period in 2009. The increase in the Operating costs was due to the costs incurred for the evaluation of the Arqueana Property.

Summary of Quarterly Results

For the Quarterly Periods ended:		December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011
Total Revenues	$	0	0	0	0
Loss before other items		(145,825)	(58,644)	(76,440)	(51,165)
Loss per common share before other items		(0.01)	(0.00)	(0.00)	(0.00)
Earnings / (loss) for the period		(297,164)	(58,644)	(76,440)	(51,165)
Basic earnings /(loss) per common share		(0.02)	(0.00)	(0.00)	(0.00)

For the Quarterly Periods ended:		December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Total Revenues	$	0	0	0	0
Loss before other items		(99,552)	(117,169)	(125,537)	(109,169)
Loss per common share before other items		(0.01)	(0.01)	(0.01)	(0.01)
Earnings / (loss) for the period		(99,544)	(117,413)	(125,274)	(109,169)
Basic earnings / (loss) per common share		(0.01)	(0.01)	(0.01)	(0.01)

Note: Earnings (loss) per common share calculations in the above tables are based on the weighted average number of common shares outstanding for the periods All the figures covered by all the quarterly periods are prepared in accordance with IFRS

The diluted loss per share calculations are not reflected as the effect would have been anti-dilutive.

The Company's business is not of a seasonal nature.

Risks related to our Business

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

The Company does not generate any revenues and does not anticipate generating any revenues in the foreseeable future. Should the Company at a future date generate any revenues, then the Company intends to retain its earnings in order to finance growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

Governmental regulations, including those regulations governing the protection of the environment, taxes, labour standards, occupational health, waste disposal, mine safety and other matters, could have an adverse impact on the Company.

Trading in the common shares of the Company may be halted at any time for any reason, including the failure by the Company to submit documents to the Regulatory Authorities in the time periods required.

The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The prices of metals have fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international, economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rates fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interests in mineral exploration properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct adverse impact on the Company's ability to raise funds for its interests in mineral exploration properties. A drop in the availability of equity financings will likely impede spending on mineral properties. As a result of all these significant risks, it is quite possible that the Company may lose all its investments in the Company's interests in mineral properties.

Liquidity and Capital Resources

The Company has incurred operating losses over the past three fiscal years, has limited resources, and no sources of operating cash flow.

During 2012, the Company shall require at least $350,000 so as to conduct its operations uninterruptedly. In order to meet this requirement, the Company intends to seek equity and/or debt financings through private placements and/or public offerings and/or loans. In the past, the Company has been successful in securing equity and debt financings in order to conduct its operations uninterruptedly. While the Company does not give any assurances whatsoever that in the future it will continue being successful in securing equity and/or debt financings in order to conduct its operations uninterruptedly, it is the Company's intention to pursue these methods for future funding of the Company.

As at December 31, 2011:-

- The Company's total number of issued and outstanding shares were 16,575,278 as compared to 13,963,278 for the corresponding period in 2010 and as compared to 8,420,278 for the corresponding period in 2009.

- The Company's total assets were $3,140 as compared to $168,807 for the corresponding period in 2010 and as compared to $162,205 for the corresponding period in 2009.

- The Company's total liabilities were $191,989 as compared to $135,443 for the corresponding period in 2010 and as compared to $51,741 for the corresponding period in 2009.

During 2011, a total of 1,512,000 share purchase warrants were exercised at $0.10 per share for total proceeds to the Company of $151,200.

During 2011, a total of 3,697,000 share purchase warrants exercisable at $0.10 per warrant share which were attached to certain units issued in 2009 expired unexercised. Subsequently, on March 11, 2012, a total of 440,000 share purchase warrants exercisable at $0.10 per share expired unexercised and on April 16, 2012, a total of 550,000 share purchase warrants exercisable at $0.10 per share expired unexercised .

On May 10, 2011, the Company closed the non-brokered private placement, which was announced on March 6, 2011. The Company issued a total of 100,000 units of the Company's securities at $0.10 per unit for gross proceeds to the Company of $10,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant to purchase an additional common share in the capital of the Company exercisable at the price of $0.15 until May 10, 2013. The securities issued were subject to a hold period which expired on September 11, 2011.

On April 15, 2011, the Company closed the second and final tranche of the non-brokered private placement, which was announced on March 30, 2011, and issued 500,000 units of the Company at the price of $0.10 per unit for total proceeds to the Company of $50,000. Each unit consists of one common share and one share purchase warrant, exercisable to acquire one common share at the price of $0.15 until April 15, 2013. The securities issued were subject to a hold period which expired on August 16, 2011.

On April 1, 2011, the Company closed the first tranche of the non-brokered private placement, which was announced on March 30, 2011, and issued 500,000 units of the Company at the price of $0.10 per unit for total proceeds to the Company of $50,000. Each unit consists of one common share and one share purchase warrant, exercisable to acquire one common share at the price of $0.15 until April 1, 2013. The securities issued were subject to a hold period which expired on August 2, 2011.

During 2010, a total of 1,043,000 share purchase warrants were exercised at $0.10 per share for total proceeds to the Company of $104,300.

During 2010, the Company issued an aggregate of 4,500,000 Units of the securities of the Company to various investors at the price of $0.06 per Unit for total proceeds to the Company of $270,000 all of which were allocated to common shares. Each Unit consists of one common share in the capital of the Company and one warrant to purchase an additional common share in the capital of the Company at $0.10 per common share for a period of two years from closing date.

If any warrants are exercised in the future, then any funds received by the Company from the exercising of warrants shall be used for general working capital purposes. However, there are no assurances whatsoever that any warrants will be exercised before their expiry.

During 2009, the Company entered into Non-Brokered Private Placement Financing Agreements and issued an aggregate of 7,325,333 units for total proceeds of $518,150 of which $486,267 was allocated to shares and $31,883 was allocated to warrants. Each unit consisted of one common share and one non-transferable share purchase warrant. Of the 7,325,333 units sold, 5,242,000 share purchase warrants entitle the holders to purchase one common share at a price of $0.10 for a period of two years from closing date, and the remaining 2,083,333 share purchase warrants entitle the holders to purchase one common share at a price of $0.10 for a period of five years from closing date. The proceeds were allocated between shares and warrants using the residual value method.

During 2008, the Company issued to arm's length parties 2,000 common shares at a market value of $0.75 per common share for a total value of $1,500 in accordance with the Hope Creek Option Agreement.

During the twelve months period ended December 31, 2011, there were no stock options granted to Directors, Officers and Employees. On June 15, 2011, a total of 164,242 stock options granted to Directors, Officers, Employees and Consultants exercisable at $1.25 per share expired unexercised.

Pursuant to an Investor Relations Agreement with an Arm's Length Party, on June 1, 2011 the Company has granted 120,000 incentive stock options to the Arm's Length Party which may be exercised for a period of twelve months at the price of $0.15 per common share. In respect to the stock option grant is a cash settlement option which allows the option holder to receive $3,250 if the stock options are not exercised by the expiry date. The fair value of the options granted in the current year has been calculated based on the cash settlement value of $3,250 and has been included in mineral property evaluation costs. The balance has been reflected in the year-end audited financial statements as an accrual and is included in accounts payable and accrued liabilities.

If any stock options are exercised in the future, then any funds received by the Company from the exercising of stock options shall be used for general working capital purposes. However, there are no assurances whatsoever that any stock options will be exercised before their expiry. As at December 31, 2011, a total of 120,000 incentive stock options exercisable at $0.15 per share are outstanding. As at the date of this MD&A, there were no stock options that were exercised.

As at December 31, 2011, the Company had:-

- $924 in cash as compared to $5,073 in cash for the year ended December 31, 2010 and as compared to $5,158 in cash for the year ended December 31, 2009.

- HST receivable in the amount of $848 as compared to $12,394 for the year ended December 31, 2010 and as compared to $4,910 for the year ended December 31, 2009.

- Mineral exploration tax credit receivable of $nil as compared to $nil for the year ended December 31, 2010 and as compared to $1,060 for the year ended December 31, 2009.

- Prepaid expenses in the amount of $1,367 as compared to $nil for the year ended December 31, 2010 and as compared to $nil for the year ended December 31, 2009.

Significant Accounting Policies

The Annual Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Trends

Commodity prices have increased significantly, and should this trend continue then companies such as Kokomo will have difficulty in acquiring mineral properties of merit at reasonable prices.

Related Party Transactions

The Company shares office space with Las Vegas From Home.com Entertainment Inc. ("Las Vegas"), a company related by certain common officers and directors. Effective as of March 1, 2007, Las Vegas invoices the Company $1,500 plus GST or HST per month for providing office space, telephone and photocopy services, office supplies, reception, accounting, secretarial and other miscellaneous services for as long as such services are required by the Company. As at December 31, 2011, Las Vegas charged the Company for its share of (i) office expenses of $14,400 (2010 - $14.400; 2009 - $14,400); (ii) rent of $3,600 (2010 - $3,600; 2009 - $3,600) and iii) other expenses paid on behalf of the Company of $11,092 (2010- $981; 2009 - $1,247). For the twelve months period ended December 31, 2011, the Company charged Las Vegas for its share of other expense paid on behalf of Las Vegas of $2,686 (2010: $2,575; 2009: $2,575).

Las Vegas is related to the Company by virtue of the fact that Las Vegas' CEO and President, namely Jacob H. Kalpakian, is the Vice-President of the Company, and the Chairman and CFO of Las Vegas namely Bedo H. Kalpakian, is the CEO, CFO and President of the Company. Furthermore, Gregory T. McFarlane is a director of both the Company and Las Vegas.

Giyani Gold Corp. (formerly 99 Capital Corporation) ("Giyani") was related to the Company by virtue of the fact that the Company's President, CEO and CFO namely Bedo H. Kalpakian, was the Chairman and CFO of Giyani from November 2009 up to June 2010, and the Company's Vice-President namely Jacob H. Kalpakian was the President and CEO of Giyani from November 2009 up to June 2010. For the twelve months period ended December 31, 2011, Giyani was charged by the Company for its share of certain expenses paid by the Company on behalf of Giyani of $Nil (2010: $3,175; 2009 - $Nil).

Active Growth Capital Inc. ("Active Growth") was related to the Company by virtue of the fact that the Company's President, CEO and CFO namely Bedo H. Kalpakian, was a director of Active Growth from November 2010 up to July 2011, and the Company's Vice-President namely Jacob H. Kalpakian was the President, CEO and a director of Active Growth from November 2010 up to July 2011. For the twelve months period ended December 31, 2011, Active Growth was charged by the Company for its share of certain expenses paid by the Company on behalf of Active of $3,506 (2010: $Nil; 2009 - $Nil).

Pursuant to the Management Services Agreement with Kalpakian Bros. of B.C. Ltd. dated November 1, 2001, as amended on August 18, 2003 and on July 31, 2005 and pursuant to the Addendum to the Management Services Agreement dated November 1, 2010, the total amount for Management Fees was $120,000 during the twelve months period ended December 31, 2011 (2010: $320,000; 2009 - $360,000). In February 2012, the Management Services Agreement was amended whereby the remuneration payable to Kalpakian Bros. for the services provided to the Company shall be reduced to $5,000 plus HST per month effective as of March 1, 2012. Subsequently, the Management Services Agreement was further amended whereby the remuneration payable to Kalpakian Bros. shall be reduced to $2,500 per month plus HST as of April 1, 2012. The principals of Kalpakian Bros. of B.C. Ltd. are Bedo H. Kalpakian and Jacob H. Kalpakian, both of whom are directors and officers of the Company. The Management Services Agreement is renewable on an annual basis, and either party may terminate the Management Services Agreement at anytime by giving three months notice to the other party.

On January 21, 2008, the Company entered into an option agreement for the Extra High Property with Colt Resources Inc. ("Colt") (see Mineral Properties – 1. Extra High Property in this MD&A). During 2008, pursuant to the 2008 Option Agreement, Colt exercised the first tranche of the option by making a cash payment of $250,000 however Colt did not exercise the second tranche of the option.

Colt was previously related to the Company by virtue of the fact that Bedo H. Kalpakian was the President and CEO of Colt and is the President, CEO and CFO of the Company, and Jacob H. Kalpakian was the Vice President and Director of Colt and is the Vice President and Director of the Company. Furthermore, J. Wayne Murton was a former Director of the Company and was also a director of Colt.

In connection with the 2010 non-brokered private placement (see Liquidity and Capital Resources in this MD&A), a total of 3,250,000 Units in the capital of the Company were subscribed for by a company owned by two directors of the Company. During 2010, a total of 1,010,000 share purchase warrants at $0.10 per share were exercised by a company owned by two directors of the Company for total proceeds to the Company of $101,000.

In connection with the 2009 non-brokered private placement (see Liquidity and Capital Resources in this MD&A), an aggregate of 4,176,333 Units in the capital of the Company were subscribed for by the family of two directors of the Company. In addition, a total of 37,500 Units were subscribed for by an officer of the Company.

Financial Instruments

The Company has classified its cash as held-for-trading; and accounts payable and accrued liabilities and due to related parties, as other financial liabilities.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments. The fair value of due to related parties cannot be reliably measured as there is no market for such instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk arises from the non-performance of counterparties of contractual financial obligations.
The Company's concentration of credit risk and maximum exposure thereto is as follows relating to funds held in Canada:

	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Bank accounts	$ 924	$ 5,073	$ 5,158

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At December 31, 2011, the Company had accounts payable excluding accrued liabilities of $86,378 (2010 - $54,230; 2009 - $20,292), which are due within 30 days, and amounts payable to related parties of $66,922 (December 31, 2010 - $68,920; 2009 - $10,049), which are due on demand.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to foreign currency risk.

(i) Interest rate risk

The Company's cash consists of cash held in bank accounts earning interest at variable interest rates. Fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2011. The Company is not exposed to significant interest rate risk.

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

Analysis of expenses

For a breakdown of general and administrative expenditures, please refer to the Statements of Compehensive Loss in the Company's Anuual Audited Financial Statements for the years ended December 31, 2011 and 2010.

Disclosure over Internal Controls

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported within the time periods required by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

Venture Issuers are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishments and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded and reported within the time periods specified in securities legislation and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial 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 DC&P and ICFR 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.

Capital Stock

Authorized share capital: Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Outstanding Share Data as of April 30, 2012	No. of Common Shares	No. of Preferred Shares	Exercise Price per Share	Expiry Date
Issued and Outstanding as at April 30, 2012	**16,575,278**	**Nil**	**N/A**	**N/A**
Warrants as at April 30, 2012	**500,000 2,000,000 500,000 500,000 100,000 2,000,000 83,333**	**Nil**	**Cdn $0.10 Cdn $0.10 Cdn $0.15 Cdn $0.15 Cdn $0.15 Cdn $0.10 Cdn $0.10**	**May 4, 2012 August 16, 2012 April 1, 2013 April 15, 2013 May 10, 2013 Dec 2/2014 Dec 22/2014**
Stock Options as at April 30, 2012	**120,000**	**Nil**	**Cdn $0.15**	**June 1, 2012**

Fully Diluted as at April 30, 2012	**22,378,611**	**Nil**

TRANSITION TO IFRS

An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

IFRS 1, "First-time Adoption of International Financial Reporting Standards" (IFRS 1)

IFRS 1 generally requires that first-time adopters retrospectively apply all effective IFRS standards and interpretations in effect as at the reporting date. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle.

The Company has elected under IFRS 1 to not apply IFRS 2 to options that vested before the date of transition to IFRS.

Adjustments on transition to IFRS

IFRS has many similarities to Canadian GAAP as it is based on a similar conceptual framework. However, there are important differences with regard to recognition, measurement and disclosure. While adoption of IFRS did not change the Company's actual cash flows or statement of comprehensive loss, it resulted in changes to the Company's balance sheet and statement of stockholders' equity (deficiency) as set out below.

(a) Share-based payments

On transition to IFRS the Company changed its accounting policy for the treatment of share-based payments whereby amounts recorded in options reserves for unexercised stock options are transferred to deficit upon their expiration. Previously, the Company's Canadian GAAP policy was to leave such amounts in option reserves.

The impact on the balance sheet due to the change in accounting policy is as follows:

		December 31, 2010		January 1, 2010
Decrease in Value of Reserves - Options	$	(231,000)	$	(213,850)
Increase to Deficit	$	231,000	$	213,850

(b) Warrants

The Company has changed its accounting policy for the treatment of unit offerings to the residual value method. Under the residual value method common shares are recorded at fair value at the date the units are priced. Any proceeds exceeding the fair value of the common shares are then allocated to the share purchase warrants. Previously, the Company's Canadian GAAP policy was to allocate proceeds based on the relative fair value method.

The impact on the balance sheet due to the change in accounting policy is as follows:

	December 31, 2010	January 1, 2010
Decrease in Value of Reserve - Warrants	$ (219,055)	$ (150,410)
Increase in Value of Capital Stock	$ 219,055	$ 150,410

(c) Reconciliation to previously reported financial statements.

A reconciliation of the above noted changes is included in the following balance sheets and statements of comprehensive loss for the dates noted below. The effects of the transition from GAAP to IFRS on the cash flow are immaterial. Therefore, a reconciliation of cash flows has not been presented.

Transitional Balance Sheet reconciliation – January 1, 2010
Balance Sheet reconciliation – December 31, 2010
Statement of Comprehensive Loss Reconciliation – December 31, 2010

The January 1, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of transition to IFRS	IFRS
Assets			
Current			
Cash	$ 5,158	$ 0	$ 5,158
HST receivable	4,910	0	4,910
Mineral exploration tax credit receivable	1,060	0	1,060
	11,128	0	11,128
Mineral Property Interests	151,077	0	151,077
Total Assets	$ 162,205	$ 0	$ 162,205
Liabilities			
Current			
Accounts payable and accrued liabilities	$ 41,692	$ 0	$ 41,692
Due to related parties	10,049	0	10,049
	51,741	0	51,741
Stockholders' Equity			
Capital Stock	23,341,971	150,410	23,492,381
Reserves - Warrants	182,294	(150,410)	31,884

Reserves - Options		432,197		(213,850)		218,347
Deficit		(23,845,998)		213,850		(23,632,148)
		110,464		0		110,464
Total Liabilities and Stockholders' Equity	$	162,205	$	0	$	162,205

The December 31, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

		Canadian GAAP		Effect of Transition to IFRS		IFRS
Assets						
Current						
Cash	$	5,073	$	0	$	5,073
HST receivable		12,394		0		12,394
		17,467		0		17,467
Mineral Property Interests		151,340		0		151,340
Total Assets	$	168,807	$	0	$	168,807
Liabilities						
Accounts payable and accrued liabilities	$	66,523	$	0	$	66,523
Due to related parties		68,920		0		68,920
		135,443		0		135,443
Stockholders' Equity						
Capital Stock		23,647,626		219,055		23,866,681
Reserves - Warrants		250,939		(219,055)		31,884
Reserves - Options		432,197		(231,000)		201,197
Deficit		(24,297,398)		231,000		(24,066,398)
		33,364		0		33,364
Total Liabilities and Stockholders' Equity	$	168,807	$	0	$	168,807

The Canadian GAAP Statement of comprehensive loss for the year ended December 31, 2010 has been reconciled to IFRS as follows:

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses			
Management fees	$ 320,000	$ 0	$ 320,000
Legal, accounting and audit	45,919	0	45,919
Salaries and benefits	41,460	0	41,460
Office and miscellaneous	29,311	0	29,311
Regulatory and transfer fees	7,678	0	7,678
Rent	3,600	0	3,600
Telephone, travel, meals and entertainment	1,943	0	1,943
Finance, interest and foreign exchange	942	0	942
Shareholder communication	574	0	574
Loss Before Other Item	(451,427)	0	(451,427)
Other Item			
Interest income	27	0	27
Net Loss and Comprehensive Loss for Year	$ (451,400)	$ 0	$ (451,400)

Outlook

Management's efforts are directed towards pursuing opportunities of merit in the mineral exploration sector for the Company, and Management is hopeful that, in due course, the Company shall be able to acquire a mineral prospect of merit.