



SENATOR MINERALS INC
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SNR: TSX-V

MANAGEMENT DISCUSSION and ANALYSIS
accompanying the 31 December 2010 Audited Consolidated Financial Statements

This Management Discussion and Analysis, prepared as of 18 April 2011, is intended to be read in conjunction with the audited consolidated financial statements for the period ending 31 December 2010 and related notes thereto, which have been reported in Canadian dollars and prepared in accordance with Canadian generally accepted accounting principles.

This discussion relates to the operations of Senator Minerals Inc (the "Company" or "Senator") during the reporting period ending 31 December 2010, and the period up to the date of this report, being 18 April 2011.

History:

The Company, an Ontario corporation with unlimited common shares authorized, was first incorporated as Manbar Explorations Ltd ("Manbar") in 1972. In 1986, Manbar underwent a name change to Cross Canada Resources Inc. In 1995, the name was changed to Cross Canada International, and that same year the Company elected to become a public company and also underwent a 10:1 consolidation. In 1998, Cross Canada International changed its name to Senator Minerals Inc, with another 10:1 consolidation of shares. In 2000, upon the demise of the Canadian Dealer Network ("CDN"), Senator was listed as a Tier 3 Issuer on the Canadian Venture Exchange, which subsequently became the TSX-Venture Exchange (TSX-V). At the beginning of 2004, Senator became a Tier 2 Issuer on the TSX-V.

In addition to its present listing on the TSX-V (symbol "SNR"), the Company is also listed on the Frankfurt Exchange (symbol "T1K").

Business:

The Company is focused on mineral exploration and has as its main objectives the identification and acquisition of, and subsequent profitable disposition of interests in, mineral properties of merit.

In the last two years, the Company has depended on cash generated from option payments, operator fees, private placements and exercise of warrants, and interim loan arrangements to fund its activities.

These proceeds have been used for investigation and appraisal of targeted mineral concessions, acquisition and exploration of certain mineral concessions, the administration and maintenance of the company's operations, and compliance with all regulatory requirements. While it remains the directors' consensus that a long-term commodity-driven market was underway, the Company's policy of property acquisitions is subject to continuous review.

By inventorying prospective properties, the Company planned to participate in the upside of exploration without significant dilution of its own shares by arranging for other companies to finance the carrying costs and work on its properties. The profitable execution of this plan required a combination of increases in the price of gold and commodities and a general increase in investor attention to the junior capital markets, with both these circumstances being beyond the Company's control. In 2008, the junior capital markets underwent a meltdown and liquidity crisis, resulting in management adopting a significantly more conservative approach to property acquisition, maintenance, and exploration commencing in 2009.

Even though current market conditions have improved, management is aware that material uncertainties exist that could possibly affect the Company's ability to continue as a going concern. Recognizing that there are insufficient cash reserves to conduct planned programs and continue operations for the ensuing twelve

months, management is fully aware that the Company must continually review its property spending commitments and priorities because it will need to generate working capital through a combination of sale of marketable securities, arrangements with creditors, or arrangement of additional equity financing. For this reason, the Company has established a \$500,000 line of credit that allows it flexibility in the timing of financings.

Mineral Exploration Property Interests:

It remains the directors' collective opinion that political risk and cost efficiency are two of the most important factors when determining the general areas most acceptable for mineral exploration. While the Company has concentrated the majority of its time, effort, and resources on mineral exploration opportunities in North America, in the past year it has also actively reviewed an extensive number of opportunities in mining friendly jurisdictions in Central and South America. At this point, the Company's portfolio of properties remains concentrated in North America.

The Company's main project is its 100% interest in the Taurus property, a recognized porphyry copper-molybdenum-gold deposit in the Tintina Gold Belt in southeastern Alaska, and part of the White Gold mineral trend centered in the Yukon. The Taurus property was the most significant property in Senator's portfolio in the mid-1990s, with substantial previous work by majors before Senator (known then as Cross Canada Resources) expended over \$1.3 million on it during a three year period. The property was lost but re-acquired on a 100% basis in 2004, and since then, more than \$1,000,000 has been spent.

A three hole diamond drill program was undertaken in 2008 to test areas at greater depths than any previous work. For the first time, based on current and historical work on a small (<10%) portion of the property, results generated a NI 43-101-compliant inferred resource of significant size. Because of the perceived size and potential value of Taurus, the Company is weighing alternatives available to it, ranging from financing further work to enhance the value of the project to finding a major company to earn an interest in the property.

During exploration for gold on Ivanhoe Creek, one of Senator's optioned Nevada properties, a bentonite deposit of undetermined size was discovered. Consequently, seven placer claims were staked in order to acquire the right to exploit this deposit in the event it proves economic. These placer claims are owned and maintained by Senator (50%) and Kent Exploration Inc (50%), net of a 1% NSR in favor of a company controlled by R. Redfern, a director of the Company.

In June 2008, the Company made applications for approximately 43,000 hectares of coal permits in Saskatchewan. Arrangements were made for staking, which took place in July 2008. All Coal Prospecting Permits have been received from SaskEnergy, and are valid until December 2011.

As a result of property options made to date, at the 2010 year-end, Senator held 10,000 common shares of Alderon Resource Corp, a TSX-V-listed company. Subsequent to the year-end, and up to the date of this report, Senator sold 5,000 shares for net proceeds of \$18,450. The remaining 5,000 shares currently have an estimated fair value of \$17,000.

Through non-arms-length agreements with a company controlled by L. Simon, an officer, and D. Simon, a director and officer of the Company, Senator has a 1% net smelter return ("NSR") in each of the Key and Okey properties, two high-grade copper projects in northern BC. The Company also has a 1% NSR on the Rosebud property, a gold-silver prospect in northwestern Arizona.

The Company is currently researching opportunities in the Yukon, comparatively close to its 100%-owned Taurus property in southeastern Alaska. The Company has optioned one property (King Dome) and is acquiring a 50% interest in a second.

Non-Arms-Length Transactions:

In the past Senator completed a number of non-arms-length transactions. All were done on terms advantageous to the Company, at or below industry-standard tariffs. All were subject to independent technical and valuation reporting and approval of the TSX-Venture Exchange, and all requisite approvals were obtained.

With the exception of the 1% NSRs mentioned above, all property interests involving non-arms-length transactions have now be dropped.

Financial Results and Operations:

The relatively high costs of having small companies operate rationally and efficiently while meeting the requirements of increasingly complex regulatory regimes is a continuing impediment to the success of venture companies like Senator.

A possible offsetting positive market factor for junior exploration venture companies is that, because the gold and exploration markets are relatively minuscule compared to the general dollar-based economy, it would take only a minor shift in investment preferences to bring market activity and capitalization to levels that are significantly higher than those at present.

The \$59,142 in general and administrative (“g&a”) costs incurred in the fourth quarter of 2010 is approximately 12% lower than the \$66,955 average g&a quarterly costs in the last two years. Fourth quarter g&a consisted of expenses that were mainly within normal range of the previous year: management fees \$31,125 (2009: \$31,125); occupancy \$5,702 (2009: \$5,375); and travel \$1,876 (2009: \$2,027). These similarities reflect the fact that no significant changes were made to the management and operation of the Company during the last two years. Variances included some due mainly to introducing some efficiencies into the operation of the Company: communications were \$2,008 (2009: \$2,635), and professional fees were \$5,569 (2009: \$10,348). A revised approach to office management meant the expenses for consultants were reduced from \$9,500 in 2009 to \$3,000 in the fourth quarter of 2010. There was a higher expense for loan interest \$8,542 (2009: \$7,787) due to the increased size of the credit line loan. Promotion expense was lower at \$827 (2009: \$1,016) due to a policy decision to limit promotional activities.

A summary of financial results by quarter in the previous two years follows:

Quarter ended	General and Admin Expenses	Net Loss (Profit)	Loss (Profit) per share
31 Dec 2010	\$ 59,142	\$ 188,458	\$0.004
30 Sep 2010	\$ 59,952	\$ 67,195	\$0.002
30 Jun 2010	\$ 80,131	\$ 91,156	\$0.003
31 Mar 2010	\$ 70,704	\$ 102,956	\$0.003
31 Dec 2009	\$ 34,818	* \$(8,855)	(\$0.000)
30 Sep 2009	\$ 74,943	\$ 93,343	\$0.003
30 Jun 2009	\$ 75,473	\$ 75,473	\$0.002
31 Mar 2009	\$ 78,260	\$ 99,639	\$0.003

* includes one-time adjustments of a net credit of \$67,041, relating to the write-off of stale accounts payable (\$61,481cr), the impairment of marketable securities (\$125,000), and a gain on the sale of marketable securities (\$130,560cr).

Per CICA Section 1535, the Company is not subject to any legislated capital requirements. In December 2010, the Company announced a private placement of 6,300,000 shares for net proceeds of \$312,093 after deduction of TSX-V financing fees. This placement was completed and approved in December 2010. The Company’s current assets at the end of December 2010 totalled \$131,639 (31 Dec 2009: \$73,783).

The Company’s working capital position at 31 December 2010 was a negative \$396,056 (31 Dec 09: negative \$241,999). Per disclosure required by CICA Section 1400, the Company does not have sufficient cash reserves to conduct planned programs and continue operations for the ensuing twelve months without generating significant working capital through equity financing, supplemented by arrangements with creditors, sale of marketable securities, or further drawdowns on the line of credit.

A summary of selected financial information for the last three fiscal years is as follows:

	2010	2009	2008	2007
Revenues	\$ --	\$ --	\$ 63,472	\$ 78,470
Loss	\$ 447,550	\$ 259,600	\$ 1,493,164 ¹	\$ 608,717
Loss per share, basic and diluted	\$ 0.011	\$ 0.008	\$ 0.054	\$ 0.025
Total assets	\$ 131,639	\$ 73,783	\$ 95,758	\$ 928,995
Total long-term liabilities	\$ nil	\$ nil	\$ nil	\$ nil

¹ includes charges of \$110,126 for stock-based compensation based on the B-S model

The Company had no warrants or options outstanding at the end of December 2010. The Company has never paid any dividends.

All phone inquiries continue to be handled in-house. The Company has two web sites, Senatorinc.com and SenatorMinerals.com (special design for mobiles), which are operational and kept up to date. All news releases and technical and valuation reports that have been prepared on properties in which the Company holds an interest are posted on the web sites for investors' reference. Additional information is available in the public documents filed by the Company that are available for viewing on www.Sedar.com.

Corporate Governance:

The following description of the Company's corporate governance should be considered within a frame of factual reference. The Company wrote less than 120 cheques in 2010, and less than 120 cheques in 2009. All expenditures have been pursuant to specific contractual arrangements that were previously authorized by the Board and/or the TSX-V, or for activities authorized by the Board in principle but not in detail.

The Board of Directors is authorized for up to six people and presently consists of five: three independent: Gary Cope, Jeffrey Scouten, and Richard Redfern; and two non-independent: Donald Simon, CEO, and Roger Kidlark, CFO. Management makes a regular practice of consulting with, and where appropriate seeking approval in advance from, the Board on all matters of substance related to the Company's activities. The Company remains alert to the identification of suitable candidates for Board membership.

Directors of the Company have other directorships in reporting issuers as follows: Roger Kidlark and Jeffrey Scouten: directors of SNR only; Donald Simon: director and CEO of SNR only; Gary Cope, director and CEO of Orko Silver ("OK") and Orex ("REX"), and Richard Redfern: director and CEO of Mexivada Mining ("MNV").

Since 2004, the Company has had an Audit Committee Charter, which is available for viewing on the Company's main web site. The Company's Audit Committee consists of three financially literate directors (Richard R. Redfern, Jeffrey P. Scouten, and Donald A. Simon). R. Redfern and J. Scouten are independent, while D.A. Simon is not, being an officer of the Company.

The Audit Committee conducted a detailed review of the Company's disclosure controls and procedures in conjunction with the preparation of the 31 December 2010 audited financial statements, and concluded that those controls and procedures were effective. In the course of continuous and year-end review by the Audit Committee, there were no changes noted in the Company's internal control over financial reporting to the end of 2009, and there have been no changes in 2011 up to the date of this report. Due to the lack of segregation of duties that results from small office operations, disclosure controls and procedures are designed to ensure that all commitments and spending have been approved in advance either specifically or in principle by the Board, and that all information required to be filed or disclosed pursuant to applicable securities laws is generated and organized in a timely manner.

A Compensation Committee, consisting of the three independent directors, was formed in 2006 to consider and authorize remuneration for the CEO. The Committee completed a comparison to other publicly traded companies, a comparison to other professional remuneration, an appraisal of revenues generated for Senator

by the CEO, and a review of actual responsibilities before authorizing the current remuneration package. There has been no change in remuneration since 2006.

Continuing Education: Members of the Board receive regular memos from management alerting them to facts, news, and events related to industry news and the responsibilities of directorship. Members have enrolled in continuing education classes sponsored by various groups including the TSX-V, the BCSC, the ICABC, and others. Members of the Board also take classes in their own professional disciplines from time to time.

Ethics: The board includes three registered professionals and one former registered professional. Therefore, the corporate culture is 100% oriented to professionalism and ethical conduct.

Self-assessment: There is no formal or informal procedure for assessment of the performance of the Board, its Committee, or the CEO. It has been observed and agreed that the Company and its Board are both too small to make that process meaningful.

Company management is aware of the deadlines and requirements associated with the replacement of Canadian generally accepted accounting principles with International Financial Reporting Standards ("IFRS"). In addition to attending relevant seminars and making a specific presentation to the IASB concerning exploration-specific implications of proposed IFRS standards, management has carried out a line-by-line review of the Company's financial statements and assessed IFRS and their adoption for 2011, and is of the opinion that, given the relative simplicity of the Company's balance sheet and its operations, the transition to IFRS, which will effectively begin in 2010, will not cause significant changes to preparation or presentation of the Company's financial statements. No significant adjustments are needed to the figures generated to date in 2010.

Budgets and Financing:

Until late 2010, exploration expenses were limited to due diligence on potential acquisitions and essential maintenance, as the Company took steps to reduce cash outflows until the markets stabilized and improved. In December 2010, the Company recognized acquisition opportunities in the Yukon and completed a private placement to finance two property acquisitions. Budgeted general and administrative expenses remain cut to a minimum,

The Company's short-term property, work, and administration commitments have been covered through property option revenues, operator fees, the exercise of warrants, and private placements, with backup in the form of a credit line for meeting financial needs.

Given the current market situation, it is comparatively difficult to identify viable companies to option interests in the Company's properties and to finance exploration work. Therefore management recognizes that it cannot count on the generation of revenues that are possible, but not assured, from future property option agreements and exploration operatorship.

The Company has an approved incentive stock option plan in place, but there are no options outstanding at the date of this report. All options were allowed to expire in the first half of 2010. Based on the latest CRA policies that apparently move substantial risk to the option issuer, no further option awards are planned at this time.

The Company's NSR interests are not expected to generate any revenue in 2011.

In light of these projections, the Company's management has been using funding from the December 2010 private placement with backup from a credit line (up to \$500,000) to meet operating obligations, delaying another financing until the market situation becomes more advantageous.

Conclusions:

The Company's general business model seeks to, where possible, share exploration risk and minimize dilution while creating significant potential value to shareholders through operatorship and carried participation in exploration programs.

The Company continues to maintain a limited though diverse portfolio of properties in areas of comparatively low political risk. Exploration to date in Nevada has identified a bentonite deposit that is now being targeted as a possible revenue generator. This bentonite deposit is controlled 50% by Senator and 50% by Kent Exploration.

Senator is giving its highest priority to its 100%-owned Taurus copper-molybdenum-gold property in Alaska. It considers this deposit to be a situation where project and company value should respond positively, providing the next phase of exploration work can enhance the inferred resource as anticipated.

In addition, as a result of the obvious increased interest in exploration in the Yukon, the Company has just announced its acquisition of rights to two prospects, one a Au-VMS target, and the other a Cu-Au target.

The Company will continue to employ responsible fiscal management and give priority to efficient allocation of its resources while seeking optionees to participate financially in exploring the Company's properties, and taking advantage of acquisition and joint venture opportunities that are identified.

Approved by the Directors:

"Roger Kidlark"
CFO, Director

"Donald A Simon"
CEO, President, and Director

18 April 2011