Northfield Metals Inc.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Northfield Metals Inc. (the "Company") for the year ended December 31, 2011 and should be read in conjunction with the audited financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of April 30, 2012.

All dollar amounts are stated in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward-Looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The Company

The Company is a public company engaged in the acquisition, exploration and development of mineral resource properties. Currently, the Company has no mineral resource properties.

The Company is a reporting issuer in Ontario and Alberta, however, its common shares are not listed for trading on any exchange.

Overall Performance

The Company is in the exploration stage and has no revenue. As at December 31, 2008, the Company had written off its mineral resource properties. The Company is currently seeking to acquire mineral resource properties. The continued operations of the Company is dependent upon the ability of the Company to identify and acquire mineral resource properties, to obtain financing to acquire and complete the exploration and development of those mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of mineral resource properties.

As at December 31, 2011, the Company had a working capital deficit of $1,254,424, which included cash of $1,165, which is not sufficient to enable the Company to fund its operations and the acquisition, exploration and development of mineral resource properties. Accordingly, there is significant doubt as to the Company's ability to continue as a going concern. The Company has suspended the acquisition of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

Risks and Uncertainties

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

The Company is in the exploration stage and currently does not own any mineral resource properties. The Company has no revenues and finances its operations by raising capital in the equity markets. The continued operations of the Company is dependent upon the ability of the Company to obtain financing to complete the acquisition, exploration and development of mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

Summary Annual Information

	Years ended December 31		
	2011	**2010**	**2009**
	$	**$**	**$**
Revenue	-	-	-
Net loss			
Total	344,010	188,471	247,990
Per share (basic and diluted)	0.016	0.009	0.011
Total assets	163,168	210,289	121,481

Results of Operations

	3 months ended December 31,		Years ended December 31,	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Expenses				
Professional fees	8,193	2,500	20,503	13,375
Consulting fees	60,000	60,000	240,000	240,000
General and administrative	4,307	901	11,831	12,993
Decrease (increase) in fair value of marketable securities	(38,757)	(75,038)	71,676	(82,294)
Writedown of equipment	-	15,000	-	15,000
Gain on settlement of debts	-	(10,603)	-	(10,603)
Loss and comprehensive loss	33,743	(7,240)	344,010	188,471

Years ended December 31

The increase in the loss and comprehensive loss in the year is the result of a decrease in the fair value of marketable securities of $71,676 compared to an increase of $82,294 in the same period in the previous year.

3 months ended December 31

The increase in the loss and comprehensive loss is a result of a decrease in the increase in the current period compared to the same period in the previous year primarily reflects a decrease in the fair value of marketable securities compared to an increase in the same period in the previous year.

Summary of Quarterly Results

	Q1 2010	**Q2 2010**	**Q3 2010**	**Q4 2010**	**Q1 2011**	**Q2 2011**	**Q3 2011**	**Q4 2011**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	-	-	-	-	-	-	-	-
Loss								
- Total	(40,507)	(95,833)	(59,370)	7,239	(67,095)	(123,653)	(119,519)	(33,743)
- Per share	Nil	Nil	Nil	Nil	(0.003)	(0.003)	(0.006)	(0.002)

Income for the fourth quarter of 2010 reflects an increase in the fair value of marketable securities of $75,038.

Liquidity and Capital Resources

The Company is in the exploration stage and currently does not own any mineral resource properties. The continued operations of the Company is dependent upon the ability of the Company to obtain financing to complete the acquisition, exploration and development of mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

As at December 31, 2011, the Company had a working capital deficit of $1,254,424, which included cash of $1,165, which is not sufficient to enable the Company to fund its operations and the acquisition and exploration of mineral resource properties. In order to preserve its cash, the Company suspended the acquisition and exploration of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. However, without the continued support of its creditors and additional funding to meet existing obligations and to finance its operations and the acquisition and exploration of mineral resource properties, there is substantial doubt as to the Company's ability to continue as a going concern. The Company is actively seeking to raise the necessary capital to meet its funding requirements, however, there can be no assurance that additional funding will be available.

Transactions with Related Parties

	Year ended, December 31, 2011 $	Outstanding as at December 31, 2011 $
Consulting fees		
847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as President and Chief Executive Officer of the Company	96,000	491,040
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer of the Company.	72,000	368,280
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	72,000	368,280

International Financial Reporting Standards ("IFRS")

In previous years, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company adopted IFRS effective January 1, 2011 and the Company's financial statements for the year ended December 31, 2011 and 2010 and statement of financial position as at January 1, 2010 have been prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards.*

The audited financial statements set out significant accounting policies in accordance with IFRS in Note 4 and reconciliations between Canadian GAAP and IFRS in note 15. The following paragraphs provide summary of the impact of the transition from Canadian GAAP to IFRS.

First-time adoption exemptions applied

IFRS 1 allows first-time adopters certain exemptions from retrospective application of certain IFRS. The Company has applied the following optional exemptions to full retrospective application of IFRS and has made the following adjustments to transition from Canadian GAAP to IFRS:

Business combinations

IFRS 1 allows for IFRS 3, *Business Combinations*, to be applied retrospectively or prospectively. The Company elected to adopt IFRS 3 prospectively to business combinations subsequent to the date of transition. Accordingly, all business combinations after January 1, 2010 will be accounted for in accordance with IFRS 3.

Share-based payment transactions

IFRS 1 allows that full retrospective application may not apply to certain share-based instruments depending on the grant date and vesting terms. The Company elected to not apply IFRS 2, *Share-based Payment,* to share-based payments granted after November 7, 2002 that vested before the date of transition to IFRS. Accordingly, the Company has applied IFRS 2 only to unvested stock options outstanding as at January 1, 2010.

Reconciliations
The adoption of IFRS resulted in no changes to the statements of financial position as at January 1, 2010 and December 31, 2010 and the statements of loss and comprehensive loss and cash flows for the year ended December 31, 2010 previously presented under Canadian GAAP compared to the financial statements prepared under IFRS, and accordingly, no reconciliations were presented.

Other Considerations of the Changeover from Canadian GAAP to IFRS

Internal Control Activities
The Company has applied its existing internal control framework to the IFRS changeover process and there have not been any significant changes as a result. All accounting policy changes have been reviewed by senior management and the audit committee.

Information Technology and Systems
The primary information technology and systems impact of the conversion to IFRS is on the Company's system used to prepare its financial statements where the Company has implemented the changes necessary to collect the information required to complete the process in accordance with IFRS.

Business activities
The implementation of IFRS did not impact any employee compensation plans or key ratios and the Company does not have any debt covenants. In addition, the transition to IFRS did not have a significant impact on internal controls except as noted above.

Review
The review phase involves continuous monitoring of changes in IFRS. IFRS accounting standards and the interpretation thereof are constantly evolving. As a result, the Company will continue to monitor and evaluate IFRS accounting developments. The review phase will continue throughout 2012.

New standards and interpretations not adopted
A number of new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013.

IFRS 9, Financial Instruments ("IFRS 9")
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments - Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 10, Consolidation ("IFRS 10")
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements ("IFRS 11")
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13, Fair Value Measurement ("IFRS 13")
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards
In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

Effect of new standards
None of these new standards is expected to have a significant effect on the financial statements of the Company, except IFRS 9, which could change the classification and measurement of financial assets. The Company has not determined the extent of the impact of this new standard and does not plan to adopt this new standard early.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts reported in these financial statements and related note disclosures. Actual results could differ materially from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions and estimation uncertainties include the provision for deferred income taxes based on estimated tax bases using substantively enacted tax rates expected to apply to taxable income during the years in which the differences are expected to be recovered or settled.

Financial Instruments and Other Instruments

Fair value
Fair value represents the amount at which a financial instrument could be exchanged between willing parties.

The carrying value of cash, accounts payable and accrued liabilities, due to Eloro and Champion approximates fair value due to the short-term nature of these financial instruments.

Fair value hierarchy
The Company measures the fair value of its financial assets and financial liabilities based on the classification of the fair values in a hierarchy comprising three levels, which reflects the significance of the inputs used in making the measurements, described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: inputs for the asset or liability that are not based on observable market data.

Financial instruments measured at fair value classified using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
December 31, 2011				
Marketable securities	115,370	–	–	115,370
December 31, 2010				
Marketable securities	155,448	–	–	155,448

Financial risk management
The Company has exposure to credit risk, liquidity risk and market risk with respect to its financial instruments.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The Company's limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company's accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management's consulting fees and arranging for advances from related parties.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at December 31, 2011 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $28,842.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Other Information
Additional Disclosure for Venture Companies without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.

	Years ended December 31,	
	2011	2010
	$	$
General and administrative expenses		
Office	493	400
Public company costs	11,338	12,593
	11,831	12,993

Shares Outstanding as at April 30, 2012

Shares
Authorized:
Unlimited number of common shares.

Outstanding:
21,566,604 common shares.

On July 28, 2011, the shareholders of the Company approved the consolidation of the issued common shares on the basis of one new common share for up to four old common shares, with the actual consolidation ratio to be determined by the Board of Directors. As at April 29, 2012, no share consolidation has yet been effected.

Stock options
Authorized:
2,156,660 stock options, representing 10% of the issued and outstanding common shares.

Outstanding:
None.