AFRASIA MINERAL FIELDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended May 31, 2011

1.1 Date

This Management Discussion and Analysis ("MD&A") of Afrasia Mineral Fields Inc. ("Afrasia" or the "Company") has been prepared by management as of September 27, 2011 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the years ended May 31, 2011 and 2010, which were prepared in accordance with Canadian generally accepted accounting principles.

This MD&A may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1.2 Over-all Performance

Afrasia Mineral Fields Inc. (the "Company") was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange ("TSX-V") under the symbol "AFS" and on September 29, 2008 the Company's listing was transferred from the TSX-V to NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from "AFS" to AFS.H".

During the year ended May 31, 2011, the Company terminated its Definitive Agreement (the "Agreement") dated February 25, 2010, whereby the Company was to purchase 100% of the shares of 0830438 BC Ltd. (the "Seller"), a private company incorporated in BC. The transaction would constitute as a reverse-takeover ("RTO") under the TSX-V policies and was subject to TSX-V and shareholder approval. The Seller's wholly-owned US subsidiary owns the subsurface mining rights and is leasing those surface mining rights necessary to explore, rebuild and operate the Oracle Ridge Project located near Tucson, Arizona.

Concurrent with the completion of the RTO, the Company was to complete a non-brokered private placement to issue a minimum of 12,000,000 units at a price of $0.50 per unit for minimum gross proceeds of $6,000,000 consisting of one common share and one-half share purchase warrant of the Company. On termination of the Agreement, the Company refunded all monies received in connection to this private placement to the subscribers.

1.3 Selected Annual Information

May 31,		2011		2010		2009
Total interest and other income	$	1,087	$	2	$	68
Net Loss	$	(157,726)	$	(308,465)	$	(140,061)
Loss per share	$	(0.01)	$	(0.02)	$	(0.01)
Total assets	$	235,217	$	737,097	$	99,311
Total long term liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

1.4 Results of Operations

For the year ended May 31, 2011, the Company incurred a loss of $157,726 or $0.01 per share as compared to a loss of $308,465 or $0.02 per share for the year ended May 31, 2010, a decrease in loss by $150,739. The higher loss in fiscal 2010 was primarily due to the write-off of deferred costs of $121,970, which consisted of legal, audit and regulatory costs related to the Agreement, and the repayment of GST investment tax credits of $16,945 as per the CRA audit assessment. No such expenses were recorded in fiscal 2011.

Total general and administration expenses decreased by $12,552 due to decreases in office and administration costs of $5,876, consulting fees of $7,700, regulatory and transfer agent fees of $3,907, rent of $2,350, travel and promotion of $6,140 and wages benefits of $1,227, which were offset by increases in professional fees of $14,920.

The Company recorded a decrease in costs for the following:

- Office and administrative costs by $5,876 due to decreased business activities in fiscal 2011;
- Consulting fees by $7,700 as there were no business development consulting expenses incurred in fiscal 2011;
- Regulatory and transfer agent fees by $5,607 due to fewer transfer agent and shareholders services provided during the year. The Company also received a refund of regulatory fees of $ 1,115 from the TSX-V for fees paid in fiscal 2010; and
- Travel and promotional fees by $6,140 as the Company reduced its for the year. In fiscal 2010, the Company held more meetings with existing and potential investors and visited the mining site in connection with the Agreement.

The increase in professional fees of $14,920 was due to legal costs incurred in connection with the cancelled RTO. No such costs were incurred during the same period in fiscal 2010.

The Company also accrued interest income of $1,087 on its short-term guaranteed investment certificate.

1.5 Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest and other income	Loss	Loss per share
May 31, 2011	$ 488	$ (39,670)	$ (0.01)
February 28, 2011	599	(30,502)	(0.00)
November 30, 2010	–	(37,806)	(0.00)
August 31, 2010	–	(49,748)	(0.01)
May 31, 2010	2	(191,973)	(0.01)
February 28, 2010	–	(43,422)	(0.01)
November 30, 2009	–	(39,742)	(0.00)
August 31, 2009	–	(33,328)	(0.00)

Over the past eight fiscal quarters there have been no significant trends or variations except for the quarter ended May 31, 2010. The higher loss for the quarter ended May 31, 2010 was primarily due to the write-off of deferred costs incurred in connection with the Agreement and repayment of GST investment tax credits.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital of $217,480 at May 31, 2011 compared to working capital of $460,936 at May 31, 2010, representing a decrease in working capital of $243,456.

As at May 31, 2011, the Company had net cash and cash equivalents on hand of $227,806 compared to $132,203 as at May 31, 2010, an increase of $95,603.

During the year ended May 31, 2011, the Company:

(a) used $224,772 of its cash in operating activities, consisting primarily of general and administrative expenditures and repayment of liabilities.

(b) collected $600,000 previously advanced to the Seller in respect to the Agreement.

(c) repaid a short-term loan of $152,000 from a related party.

(d) refunded $117,000 in share subscriptions received for its non-brokered private placement at $0.50 per unit in connection to the cancelled RTO.

(e) recorded $2,186 in share issuance costs related to a non-brokered private placement completed in fiscal 2010.

Pursuant to the terms of the Agreement, the Company advanced a total of $600,000 to the Seller, which consisted of acquisition costs and travel expenses related to the Oracle Ridge Project, as well as related regulatory, legal and audit costs. The advances were fully repaid to the Company upon termination of the Agreement.

During fiscal 2010, the Company arranged a short-term non-interest bearing promissory note for $152,000 from a shareholder of the Company. The loan was repaid to the shareholder upon the receipt of advances receivable from the Seller.

Current assets excluding cash as at May 31, 2011 consisted of receivables of $6,427, which consisted of HST credits of $5,003, interest receivable of $1,067 and other receivables of $357. Current assets excluding cash as at May 31, 2010 consisted of GST credits of $6,893, prepaid expenses of $5,000, and advances receivable of $591,561.

Current liabilities as at May 31, 2011 consisted of accounts payable and accrued liabilities of $16,622 and amounts due to related parties of $131. Current liabilities as at May 31, 2010 consisted of accounts payable and accrued liabilities of $121,457, amounts due to related parties of $1,264, and loans payable of $152,000.

Financing for the Company's operations is potentially available through the exercise of an aggregate of 209,000 stock options at an exercise price $0.35 per share expiring on April 4, 2012 and 200,000 share purchase warrants at an exercise price of $0.22 per share expiring on December 29, 2011. However, there can be no assurance that any of these outstanding exercisable securities will be exercised.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company has not had a history of operations or earnings and the overall success of the Company will be affected by its current or future business activities.

1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.9 Related Party Transactions

(a) On February 1, 2009, the Company entered into an agreement with a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively.

During the year ended May 31, 2011, the Company paid or accrued $30,000 (2010 – $30,000) for management fees and $36,000 (2010 – $36,000) for administrative services to this company.

(b) As at May 31, 2011, $131 (2010 - $1,264) was due to a director of the Company. The amount resulted from expense reimbursements and repaid subsequent to May 31, 2011.

(d) The Company repaid in full a short-term loan of $152,000 that was received in fiscal 2010 from a shareholder of the Company (Note 3).

(e) As at May 31, 2011, a total of $357 (2010 - $Nil) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in accounts receivable and repaid subsequent to May 31, 2011.

These transactions were in the normal course of operations and were recorded at the exchange amount agreed to by the related parties. The balances are unsecured, non-interest bearing, and have no fixed terms of repayment.

1.10 Fourth Quarter and Subsequent Events

None

1.11 Proposed Transactions

None

1.12 Critical Accounting Estimates

Not applicable.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Our significant accounting policies are set out in Note 2 of the audited financial statements of the Company, as at and for the years ended May 31, 2011 and 2010.

Going concern issue

The Company is continuing to review and investigate business opportunities in the resource industry. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments. If the Company is unable to raise additional capital, it will unlikely be able to continue as a going concern.

The Company may encounter difficulty sourcing future financing in light of the current economic conditions. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the private placements of shares. The junior resource industry has been severely affected by the world economic situation as it is considered speculative and high-risk in nature, making it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

International Financial Reporting Standards (IFRS)

In February 2008, the Accounting Standards Board of Canada confirmed that Canadian GAAP for publicly accounting enterprises will be converged with International Financial Reporting Standards ("IFRS") effective for fiscal years beginning on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim financial statements for the three months ended August 31, 2011 which must include the interim results for the three months ended August 31, 2010 prepared on the same basis. IFRS uses a conceptual framework similar to Canadian GAAP but there are significant differences on recognition, measurement and disclosures.

Implementing IFRS will have an impact on accounting, financial reporting and supporting IT systems and processes. It may also have an impact on actual commitments involving GAAP based clauses, long-term employee compensation plans and performance metrics. Accordingly, the Company is in the process of developing its changeover plan which will include considerations such as measures to provide training to key finance personnel, to review contracts and agreements and to increase the level of awareness and knowledge amongst management, the Board of Directors and the Audit Committee.

As a first time adopter of IFRS, the Company is required to apply IFRS 1 "First time adoption of International Financial Reporting Standards". A number of exemptions are available under this Standard which the Company is currently evaluating. While the Company has commenced assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. Key areas of accounting policy changes under assessment include, but not limited to, property, plant and equipment, revenue recognition, stock based compensation, and foreign currency. The analysis of possible changes is still in process, as such, no decisions have yet been made with regard to accounting policy choices.

1.14 Financial Instruments and Other Instruments

The carrying amount of cash and cash equivalents, receivables, advances receivable, accounts payable and accrued liabilities, amounts due to and from related parties and loans payable approximate fair value because of the short-term maturity of these items.

1.15 Other Requirements

Summary of Outstanding Share Data as at September 27, 2011

Authorized - Unlimited common shares without par value

Issued – common shares: 20,026,663

Share purchase warrants: 200,000

Stock options: 209,000

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Praveen Varshney"

Praveen Varshney, C.A.
President and Director
September 27, 2011