Management's Discussion & Analysis ("MD&A") is intended to help the reader understand the Colossal Resources Corp**.** ("Colossal" or the "Company") financial statements. The information provided herein should be read in conjunction with the Company's audited financial statements and notes for the year ended April 30, 2012. The effective date of this report is August 28, 2012.

Financial results are now being reported in accordance with International Financial Reporting Standards ("IFRS"). As a result, accounting policies, presentation, financial statement captions and terminology used in this discussion and analysis differ from those used in previous financial reporting. Further details on the transition to IFRS are included in Notes 2 and 16 of the financial statements for the year ended April 30, 2012.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management on a quarterly basis to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward Looking Statements" on page 8 of this report.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS AND OVERVIEW

The Company is in the business of acquiring, exploring and developing petroleum and natural gas properties and currently, has no resource developing activity and is considered to be in the development stage.

The common shares of the Company are listed on the NEX board of the TSX Venture Exchange and trades under the symbol "CIA.H".

The Company has evaluated several oil and gas opportunities in Canada, but has yet to reach the point where the Company can enter into a letter of intent of any kind. The oil and gas market has been depressed in the last year and the Company feels that this is a good time to enter the sector. The Company will consider both domestic and international oil and gas opportunities.

Management will continue to seek projects, primarily in the oil and gas sector, that will provide the best opportunities to increase shareholders value.

SELECTED ANNUAL INFORMATION

	Year Ended April 30, 2012	Year Ended April 30, 2011	Year Ended April 30, 2010
Total revenues	$ Nil	$ Nil	$ Nil
General and administrative expenses	80,927	181,518	225,336
Recovery of previously expensed items	-	167,082	26,458
Loss for the year	(80,927)	(14,718)	(198,878)
Loss per share – basic and diluted	(0.01)	(0.00)	(0.24)
Total assets	14,671	9,038	3,966
Total long-term financial liabilities	-	-	-
Total cash dividend paid	-	-	-

The loss per share has been adjusted to reflect the retro-active effect of the twenty-five for one share consolidation. See Shares and Share-based Units section.

SUMMARY OF QUARTERLY RESULTS

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

	Apr 30, 2012	Jan 31, 2012	Oct 31, 2011	Jul 31, 2011	Apr 30, 2011	Jan 31, 2011	Oct 31, 2010	Jul 31, 2010
Total revenue	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Income (loss) for the period	(30,219)	(13,562)	(12,969)	(24,177)	133,265	(25,217)	(50,244)	(72,522)
Earnings (loss) per share - basic	(0.01)	(0.00)	(0.00)	(0.00)	0.02	(0.00)	(0.01)	(0.01)
Total assets	14,671	14,944	9,713	6,147	9,038	1,162	1,598	1,222
Total liabilities	127,287	97,341	78,548	62,013	40,727	614,810	590,029	1,599,225

The loss per share has been adjusted to reflect the retro-active effect of the twenty-five for one share consolidation. See Shares and Share-based Units section.

RESULTS OF OPERATIONS

Financial results

Overall, the Company recorded a net loss of $80,927 ($0.01 loss per share) for the year ended April 30, 2012 as compared to a net loss of $14,718 ($nil loss per share) for the year ended April 30, 2011.

The Company had no operating revenue for the years ended April 30, 2012 and 2011. For the year ended April 30, 2012, the Company incurred a net loss of $80,927 ($0.01 loss per share) compared to a net loss of $14,718 ($nil loss per share) for the year ended April 30, 2011. The loss is comprised of general and administrative expenses of $80,927 (2011 - $181,518).

Significant expenses during the year ended April 30, 2012 were consulting fees of $8,750 (2011 - $22,600), professional fees of $55,272 (2011 - $60,265) and transfer agent, listing and filing fees of $14,868 (2011 - $18,973). Consulting fees, professional fees and other expenses decreased as there was minimal corporate activity during the year as compared to the previous year when there significant re-structuring and related costs.

Fourth quarter – Results of operations

The Company recorded a net loss of $30,219 ($0.01 loss per share) for the three month period ended April 30, 2012 as compared to a net income of $133,265 ($0.02 earnings per share) for the three month period ended April 30, 2011. The net income for the three month period ended April 30, 2011 was mainly attributable to a recovery of $167,082 of general and administrative items previously expensed.

Significant expenses during the three month period ended April 30, 2012 consisted primarily of professional fees of $26,404 (2011 - $15,489) as result of accruals for accounting and audit fees

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

At April 30, 2012, the Company had a cash balance of $316 (2011 - $3,646) to settle current liabilities of $127,287 (2011 - $40,727). The Company expects to fund these liabilities through the issuance of capital stock and loans from related parties over the coming year.

As at April 30, 2012, the Company's cash decreased by $3,330 to $316 from $3,646 as at April 30, 2011 which is the net cash provided by loans payable (financing activity) of $26,586 less net cash used for operating activities of $29,916.

Loans payable

As at April 30, 2012, loans payable were $31,586 (2011 - $5,000) due on demand and non-interest bearing.

RELATED PARTY TRANSACTIONS

The Company paid or accrued consulting fees of $3,750 (2011 - $2,500) to a company controlled by a director of the Company.

As at June 30, 2012, accounts payable and accrued liabilities included amounts payable to related parties totaling $1,400 (2011 - $1,400) for consulting fees.

CAPITAL COMMITTMENTS

The Company has no commitments for property and equipment expenditures for 2013. The Company has forecasted that any property and equipment expenditures based on future needs, will be funded from working capital and/or from operating or capital leases.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to fair value measurements for financial instruments and share-based payments and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

CHANGES IN ACCOUNTING POLICIES

Conversion to International Financial Reporting Standards ("IFRS")

These are the Company's first annual financial statements presented in accordance with IFRS. Previously the Company prepared its annual financial statements in accordance with Canadian GAAP. The policies and estimates are considered appropriate under the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS. The Company elected to take the following IFRS 1 optional exemptions:

a) to apply the requirements of IFRS 2, Share-based Payments, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date.

b) IFRS 3 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before January 1, 2010.

c) to apply the requirements of IAS 23, Borrowing Costs, as of the Transition Date.

In preparing the financial statements, the Company has determined that there are no adjustments required for amounts reported previously in financial statements that were prepared in accordance with Canadian GAAP. As a result, the Company has not presented any reconciliations.

Additionally, in accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of May 1, 2010 are consistent with its GAAP estimates for the same date.

Please see notes 2 and 16 of the financial statements for the year ended April 30, 2011 for further details.

FINANCIAL INSTRUMENTS

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

As at April 30, 2012, the carrying values of cash, receivables and accounts payable and accrued liabilities, advances from related party and loans payable approximate their fair values due to their short terms to maturity.

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

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to $100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At April 30, 2012, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company endeavours to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at April 30, 2012, the Company had cash balance of $316 (2011 - $3,646) to settle current liabilities of $127,287 (2011 - $40,727).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and interest-bearing loans payable. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of April 30, 2012, the Company did not have any investments in investment-grade short-term deposit certificates. The Company's loans payable bear interest at fixed interest rates, and as such, the Company is not exposed to interest rate risk on its loans payable.

b) Foreign currency risk

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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OFF-SHEET BALANCE ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at the date of this MD&A, there are no proposed transactions that the board of directors or senior management have decided to proceed with and that have not been publicly disclosed.

SHARES AND SHARE-BASED UNITS

The Company has the following common shares, stock options, and stock warrants outstanding:

Common shares

The Company's authorized capital consists of an unlimited number of common shares without par value.

Effective June 7, 2010, the Company consolidated its share capital on a one for twenty-five basis. All references to the issuance, granting and exercising of common stock, stock options and warrants and loss per share amounts in these financial statements have been adjusted to reflect the retro-active effect of the twenty-five for one share consolidation.

As at April 30, 2011 and 2012, and August 28, 2012 (date of report), there were 12,157,762 issued and fully paid common shares.

On October 19, 2010, announced during its annual general and special meeting held on October 15, 2010, the shareholders approved a subdivision of the Company's common shares on a basis of 3 post-consolidated shares for every 1 pre-consolidated share (the "Subdivision") subject to discretion of the Board, and subject to the approval of the TSX Venture Exchange. The directors have not implemented the Subdivision at this time.

Stock options and warrants

As at April 30, 2011 and 2012, and August 28, 2012 (date of report), there were no stock options or warrants outstanding.

RISKS AND UNCERTAINTIES

The Company's financial success will be dependent upon the Company's ability to raise equity. There is no assurance that the Company will be able to raise the equity required to meet the obligations of the Company and the Company has no source of financing other than those identified in the previous section.

Going Concern

To date, the Company has not generated any significant revenues and is considered to be in the development stage. The Company has a history of negative cash flows from operations, incurred a net loss of $80,927 during the year ended April 30, 2012 and as of that date has an accumulated deficit of $17,407,621. The Company continues to be dependent upon its ability to finance its operations and any acquisitions of exploration and evaluation properties through financing activities that may include issuances of additional debt or equity securities.

FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, conclusions of economic assessments of projects, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability, uncertainty related to the resolution of legal disputes and lawsuits; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of oil and gas; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in reserves, recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the oil and gas industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of oil and gas operations, tax rules and regulations, and political and economic developments in countries in which the Company operates.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion & Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

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

Other information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.