

Colossal Resources Corp.
Management's Discussion & Analysis
Three months ended July 31, 2012 and 2011

The following Management's Discussion & Analysis ("MD&A") as provided by the management of Colossal Resources Corp. ("Colossal" or the "Company") should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the three months ended July 31, 2012 and 2011 and the audited financial statements and accompanying notes for the years ended April 30, 2012 and 2011. All financial measures are expressed in Canadian dollars unless otherwise indicated. Colossal's MD&A and financial statements were prepared under International Financial Reporting Standards ("IFRS"). The reader should be aware that historical results are not necessarily indicative of future performance. The effective date of this MD&A is September 29, 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 3 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 relatively depressed in the last year and the Company feels that this is a good time to enter the sector. The Company is focused on international oil and gas projects but also considers domestic 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.

Colossal Resources Corp.
Management's Discussion & Analysis
Three months ended July 31, 2012 and 2011

SUMMARY OF QUARTERLY RESULTS

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

	July 31, 2012	Apr 30, 2012	Jan 31, 2012	Oct 31, 2011	Jul 31, 2011	Apr 30, 2011	Jan 31, 2011	Oct 31, 2010
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Loss for the period	(3,972)	(30,219)	(13,562)	(12,969)	(24,177)	133,265	(25,217)	(50,244)
Loss per share - basic	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	0.02	(0.00)	(0.01)
Total assets	16,911	14,671	14,944	9,713	6,147	9,038	1,162	1,598
Total liabilities	133,499	127,287	97,341	78,548	62,013	40,727	614,810	590,029

RESULTS OF OPERATIONS

Financial results

Overall, the Company recorded a net loss of \$3,972 (\$0.00 loss per share) for the three months ended July 31, 2012 as compared to a net loss of \$24,177 (\$0.00 loss per share) for the three months ended July 31, 2011.

The Company had no operating revenue for the three months ended July 31, 2012 and 2011. The net loss is comprised of general and administrative expenses of \$3,972 (2011 - \$24,177).

Significant expenses during the three months ended April 30, 2012 were consulting fees of \$4,593 (2011 - \$1,250), professional fees of \$(5,011) (due to an over accrual for the 2012 year end audit and accounting) (2011 - \$19,574) and transfer agent, listing and filing fees of \$4,368 (2011 - \$3,280). General and administrative expenses remain low as there was minimal corporate activity during the period. Consulting fees include \$2,093 incurred to evaluate some domestic oil and gas production.

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

At July 31, 2012, the Company had a cash balance of \$455 (April 30, 2012 - \$316) to settle current liabilities of \$133,499 (April 30, 2012 - \$127,287). The Company expects to fund these liabilities through the issuance of capital stock and loans over the coming year.

As at July 31, 2012, the Company's cash increased by \$139 to \$455 from \$316 as at April 30, 2012, which is the net cash provided by loans payable (financing activity) of \$2,900 less net cash used for operating activities of \$2,761.

Loans payable

As at July 31, 2012, loans payable were \$34,486 (April 30, 2012 - \$31,586), and are due on demand and non-interest bearing.

RELATED PARTY TRANSACTIONS

The Company paid or accrued consulting fees of \$1,250 (2011 - \$nil) to a company controlled by a director of the Company.

As at July 31, 2012, accounts payable and accrued liabilities included amounts payable to related parties totaling \$1,400 (2011 - \$nil) for consulting fees, including HST.

Colossal Resources Corp.
Management's Discussion & Analysis
Three months ended July 31, 2012 and 2011

CAPITAL COMMITMENTS

The Company has no commitments for property and equipment expenditures for fiscal 2013. The Company anticipates that any property and equipment expenditures based on future needs, will be funded from the issuance of equity securities.

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.

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 and as of July 31, 2012 has an accumulated deficit of \$17,411,593. 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

Colossal Resources Corp.
Management's Discussion & Analysis
Three months ended July 31, 2012 and 2011

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.