1.1 DATE

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the year ended September 30, 2011 of Thelon Capital Ltd. (the "Company" or "Thelon") (formerly Thelon Ventures Ltd.).

This MD&A is prepared as of January 30, 2012. All dollar figures stated herein are expressed in Canadian dollars unless otherwise stated.

1.2 OVERVIEW

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that constitute forward-looking statements. When used in this document the words "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions, as they relate to Thelon Capital Ltd. or its management, are intended to identify forward-looking statements. Such statements reflect current views of Thelon Capital Ltd. with respect to future events and are subject to certain known and unknown risks, uncertainties, and assumptions. These statements should not be relied upon. Many factors could cause the actual results, performance, or achievements to be materially different for many future results, performance, or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, or expected. Thelon Capital Ltd. does not intend, and does not assume, any obligation to update these forward looking statements.

DESCRIPTION OF THE BUSINESS

Pursuant to a resolution passed by the shareholders, the common shares of Thelon Capital Ltd. commenced trading on the TSX Venture Exchange on February 4, 2010 and the common shares of Thelon Ventures Ltd. were delisted. The Company also consolidated its share capital on a ten old for one new basis. The Company is incorporated under the Company Act of British Columbia and its principal activity is the exploration of mineral properties.

Thelon is an exploration stage resource company. The Company holds interests in certain mineral properties and on the basis of information available to date may not have economically viable reserves. The underlying value of the mineral properties and related deferred exploration expenditures is dependent upon the existence and economic recovery of such reserves in the future, confirmation of the Company's interest in the underlying mineral claims, and the ability to raise long-term financing.

Operations at this time are focused on the review of existing mineral properties, potential acquisitions of additional mineral properties, and sourcing of potential financing for the Company.

The Company has an office in Vancouver, British Columbia. The Company is a reporting issuer under applicable securities legislation in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol THC.

1.3 MINERAL PROPERTIES

NORTHWEST TERRITORIES

During the year ended September 30, 2004, the Company signed a binding letter of intent with Peregrine Diamonds Ltd. ("Peregrine"), whereby Peregrine can earn up to a 65% interest in all of the Company's mineral properties located in the Northwest Territories by issuing 300,000 (received) treasury shares to the Company in stages and spending $4.1 million ($100,000 reimbursed to the Company) in a combination of exploration and underlying land payments over a period of five years.

During the year ended September 30, 2008, Peregrine earned its 65% interest in the Company's mineral properties in the Northwest Territories.

During the year ended September 30, 2010, management decided not to continue with these projects and accordingly wrote off the costs.

i) Lac de Gras Property

By agreement dated July 12, 2002, the Company entered into an option agreement to acquire a 100% interest in approximately 48,601 acres located in Northwest Territories. Upon commencement of commercial production the optionor will be entitled to a net smelter return royalty of 4% on all minerals, and a gross overriding royalty of 4% on the average appraised value (as defined) of diamonds. Up to 50% of each royalty may be purchased from the optionor in increments of 0.1%, at a cost of $200,000 per increment, for a total cost of $4,000,000 for each royalty.

Consideration is $25,000 on signing and five payments, at six month intervals commencing on May 29, 2003, of $40,000 cash and 200,000 common shares. Total consideration is cash of $225,000 (paid) and 1,000,000 (issued) common shares.

ii) Oki Property

By agreement dated July 12, 2002, the Company entered into an option agreement to acquire a 100% interest in approximately 4,029 acres located in the Northwest Territories. Upon commencement of commercial production the optionor will be entitled to a net smelter return royalty of 4% on all minerals, and a gross overriding royalty of 4% on the average appraised value (as defined) of diamonds. Up to 50% of each royalty may be purchased from the optionor in increments of 0.1%, at a cost of $200,000 per increment, for a total cost of $4,000,000 for each royalty.

Consideration is $27,500 on signing (paid) and five payments, at six month intervals commencing on approval date, of $20,000 cash and 100,000 common shares. Total consideration is cash of $127,500 (paid) and 500,000 common shares (issued).

iii) Thonokied Lake Property

By agreement dated July 12, 2002, the Company entered into an option agreement to acquire a 100% interest in approximately 2,737 acres located in the Northwest Territories. Upon commencement of commercial production the optionor will be entitled to a net smelter return royalty of 4% on all minerals, and a gross overriding royalty of 4% on the average appraised value (as defined) of diamonds. Up to 50% of each royalty may be purchased from the optionor in increments of 0.1%, at a cost of $200,000 per increment, for a total cost of $4,000,000 for each royalty.

Consideration is $15,000 on signing (paid) and five payments, at six month intervals commencing on approval date, of $20,000 cash and 100,000 common shares. Total consideration is cash of $115,000 (paid) and 500,000 common shares (issued).

iv) Afridi Lake Property

By agreement dated November 15, 2002, and amended September 8, 2003, the Company entered into an option agreement to purchase a 100% interest in the Afridi Lake property, in the Northwest Territories, totaling 12,900 acres. Consideration for the option is issuance of 1,000,000 common shares (issued) of the Company, and payment of $72,000 ($42,000 paid) cash in staged tranches over four years. The vendor will retain a gross overriding royalty of 4% of which 2% may be purchased by the Company for $2,000,000.

ATHABASCA BASIN PROPERTY

By agreement dated March 9, 2005, the Company entered into an option agreement to acquire a 100% interest (subject to a 3% smelter royalty) in three mineral prospecting permits totaling approximately 120,000 hectares, located in the Athabasca Basin, Saskatchewan.

Consideration is cash of $100,000 (paid) and 1,000,000 common shares (issued).

By agreement dated August 9, 2006, the Company entered into an option agreement with Triex Minerals Corporation ("Triex"), in which Triex can acquire up to an 80% interest in the Athabasca Basin Properties located in northern Saskatchewan. Triex earned an initial 51% interest in the Property at which time a Joint Venture was formed, by incurring $250,000 in expenditures on the property before December 1, 2006, of which $90,000 may be paid in the form of direct payments to the Company. During the year ended September 30, 2007, Triex paid $80,385 in direct payments to the company and incurred the required amount of expenditures on the property in order to satisfy the First Option.

Triex can earn an additional 9% interest by incurring $1,500,000 before September 1, 2008 (completed), an additional 10% interest by incurring $1,200,000 before April 30, 2010 (completed), and an additional 10% interest by incurring $3,100,000 before April 30, 2013 (completed).

Thelon and Triex formed a 20%-80% joint venture. The Company's investment in the Joint Venture was recorded at the carrying value of the Athabasca Basin Property.

During the year ended September 30, 2011, management decided not to continue with this project and accordingly wrote off the costs.

FOUR CORNERS PROPERTY

On April 20, 2007, the Company entered into Letter of Intent with International Ranger Corp. (INRG), which has an officer that serves as a Director of the Company, granting the Company the right to acquire up to a 65% interest in the Four Corners Property, Emery County, Utah.

On October 18, 2007, the Company entered into an option agreement with INRG (superseding the LOI entered into April 20, 2007 with INRG), granting the Company the right to acquire up to a 75% interest in the Four Corners Property, Emery County, Utah for consideration of cash US$650,000 for staking and BLM fees (paid) and issuance of 333,333 common shares (issued) by the Company upon approval of the agreement. The agreement was amended on August 26, 2008, to include the issuance of 333,333 shares of the Company to INRG at the deemed price of $0.10 per share on each of the one, two and three year anniversaries after the date of approval of the agreement (666,667 issued in 2009).

The Company is also required to spend US$850,000 on work on the property over 3 years (completed). During the term of the agreement, the Company is required to reimburse INRG for 100% of all payments made under the Head Agreement dated May 1, 2007, including staking costs and filing costs for mining claims.

During the year ended September 30, 2010, management decided not to continue with the project and accordingly wrote off the costs.

JELLICO PROJECT

On May 27, 2010, the Company entered into a Letter of Agreement to acquire 100% of the Jellico Coal Property which consists of approximately 6,000 acres of coal mineral and surface rights in Campbell and Clairborne counties in the State of Tennessee.

The Company entered into a Share Purchase Agreement on December 14, 2010, amended on March 16, 2011 and August 8, 2011, to purchase 100% of the issued and outstanding shares of Clear Fork Mining Company who owns 100% of the Jellico Coal property. The purchase price is:

- 7,000,000 common shares (issued);
- US$1,000,000 (paid) on signing;
- US$3,000,000 (US$2,696,374 paid) due December 15, 2011;
- take over debt obligations of the vendor of approximately US$4,800,000 effective December 15, 2011; and
- issue a promissory note to the vendor for US$8,485,000 due in 10 years bearing interest at a rate of 6% per annum, interest paid monthly, with an annual payment starting on or before December 31, 2013 of 10% of the principal upon closing.

The Company also agrees to pay a gross overriding production royalty based on selling prices as follows:

i. up to US$80/ton, a royalty of 8% of the selling price;
ii. more than US$80/ton and up to US$90/ton, a royalty of 9% of the selling price;
iii. more than US$90/ton and up to US$100/ton, a royalty of 10% of the selling price;
iv. more than US$100/ton and up to US$110/ton, a royalty of 12% of the selling price; and
v. more than US$110/ton, a royalty of 14% of the selling price.

A bonus of $50,000 was paid to a company controlled by a director on this transaction.

The Company may pay US$500,000, which will be considered as part of the original purchase price, to extend the December 15, 2011 closing date to March 1, 2012.

The property and surrounding area has well-established power, logistics, and transportation infrastructure including mine access roads, several secondary county roads, and a railroad parallel to Tennessee State Highway 90, which extends through the property.

Portions of the property have had extensive sampling and drilling by previous operators as recently as 2009, and it is thought to contain multiple coal seams of high quality metallurgical, as well as, compliant steam coals. DRC Coal LLC has a surface mining operation on the southern boundary of the property producing from the Blue Gem, Jellico, and Rex coal seams.

Historical reserve and coal analysis data provided in a July 2009 report by A.R Leamon CPG TN estimate inferred coal reserves of approximately 12,000,000 tons in place. Coal quality analysis conducted from core holes and test pits on the property between 1992 and 2007 have shown favorable sulfur, ash, and BTU values consistent with high quality metallurgical coals being produced in the area. This historical information is not NI 43-101 complaint.

The Company's immediate objectives are to close the transaction, begin the necessary drilling to define additional coal reserves, and complete a National Instrument 43-101 report of measured and indicated mineable coal reserves on the property.

This transaction is subject to finder's fees in accordance with TSX Venture Exchange policy and subject to TSX Venture Exchange approval.

1.4 OPTION TO PURCHASE

On February 22, 2011, the Company entered into a Letter of Intent ("LOI") to purchase a 100% interest in a private Tennessee mining company ("Privateco") for US$35,000,000 plus US$7,000,000 in surety bonds. The Company must pay a non-refundable deposit of US$1,000,000 (paid) within 14 days from the date of signing, with US$41,000,000 due within 120 days (June 20, 2011). The Company may get a 60 day extension by paying an additional US$500,000 non-refundable deposit (paid), prior to the expiration of the 120 day period. The LOI was amended to reflect the balance due 60 days from June 20, 2011, or on August 19, 2011.

The LOI was amended to reflect the purchase price release dates. The total purchase price remains at US$35,000,000 plus US$7,000,000 in surety bonds. A non-refundable deposit of US$1,500,000 has been paid, a further non-refundable deposit of US$500,000 is due on February 15, 2012 to extend the closing date to April 15, 2012, US$22,000,000 due on closing, the vendor to invest $2,400,000 by way of a private placement in the Company, US$1,000,000 to be paid on the first, second, and third anniversary date of the closing, and US$7,000,000 to be paid over three years based on production along with a production bonus of US$2,400,000 over three years paid to the vendor.

This transaction is subject to finder's fees in accordance with TSX Venture Exchange policy and subject to TSX Venture Exchange approval.

1.5 SELECTED ANNUAL INFORMATION

The following table provides selected annual audited financial information that should be read in conjunction with the audited financial statements and notes:

	Year ended September 30 2011	Year ended September 30 2010	Year ended September 30 2009
Total interest income	$ 476	$ -	$ 156
Administrative expenses	$ 1,852,134	$ 749,352	$ 274,256
Write down of abandoned mineral properties	$ 512,322	$ 3,055,482	$ 247,597
Loss on sale of marketable securities	$ -	$ -	$ 16,431
Loss for the year	$ 2,381,350	$ 3,804,834	$ 538,128
Basic and diluted loss per share	$ (0.07)	$ (0.43)	$ (0.08)

1.6 SUMMARY OF QUARTERLY RESULTS

	Q4 Sep 30 2011	Q3 Jun 30 2011	Q2 Mar 31 2011	Q1 Dec 31 2010	Q4 Sep 30 2010	Q3 Jun 30 2010	Q2 Mar 31 2010	Q1 Dec 31 2009
Interest income	$ 55	$ 34	$ 387	$ -	$ -	$ -	$ -	$ -
Net loss	$ (802,197)	$ (563,166)	$(417,396)	$(598,591)	$(3,412,000)	$(132,758)	$(189,733)	$(70,343)
Loss per share	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.40)	$ (0.01)	$ (0.01)	$ (0.01)

1.7 RESULTS OF OPERATIONS

The Company's net loss for the year ended September 30, 2011 was $2,381,350 as compared to a net loss of $3,804,834 for the year ended September 30, 2010. The decrease in net loss is a direct result of the decrease in the write down of mineral properties from 2010 to 2011. Administrative expenses more than doubled to $1,852,134 in 2011 compared to $749,352 the previous year.

During the year ended September 30, 2011, 33,333 common shares were issued pursuant to the Four Corners agreement dated August 26, 2008. This agreement included the issuance of 33,333 shares of the Company to International Ranger Corp. at the deemed price of $1.00 per share on each of the one, two, and three year anniversaries after the date of approval of the agreement. The shares due on the third anniversary date were not previously issued. As management had decided not to continue with the project and wrote off the costs during the year ended September 30, 2010, the corresponding value of the shares ($33,333) was charged directly as a write off of abandoned properties. Also, at September 30, 2011, the Company decided not to continue with the Athabasca Basin Project and wrote off the costs associated with the project of $489,822. After a recovery of costs on another project received during the year of $10,833, the total write down of mineral properties for 2011 was $512,322 compared to $3,055,482 for 2010.

The largest increase in administrative expenses was the stock based compensation of $586,602 for this year compared to $166,534 in 2010. Advertising and promotion was $226,518 compared to $95,733, and the shareholder relation expenses increased to $236,710 from $45,427 in the same period last year. Travel expenses were $120,361 compared to $24,755 in the previous period. These increases are a result of management's efforts to increase awareness of the Company in order to raise money to finance operations and exploration activities.

There was $99,119 expensed in the year ended September 30, 2011 for legal and accounting fees with $41,314 expensed the previous year. Transfer agent and exchange fees were $53,202 compared to $41,020. These increases are a result of the private placements that have closed, and the numerous warrants, agent warrants, and stock options that have been exercised during the period.

Consulting fees have more than doubled to $396,951 from $169,328. $23,000 in director fees were incurred for the year ended September 30, 2011 compared to $12,000 in the previous year. Office and administration fees and telephone costs both decreased to $82,567 and $15,141 respectively for the year compared to $123,059 and $19,946 respectively for 2010.

Bank charges and interest increased to $11,169 compared to $9,124 for the same period.

1.8 FOURTH QUARTER

The Company's net loss for the three months ended September 30, 2011 was $802,197 as compared to a net loss of $3,412,000 for the three months ended September 30, 2010. The decrease in net loss for the quarter is a direct result of the decrease in the write down of mineral properties that occurred at the year-end of $512,322 for 2011, compared to $3,055,482 for 2010.

Administrative expenses for the last quarter of this year were $310,571, compared to $356,518 for the same quarter last year.

1.9 OFF-BALANCE SHEET ARRANGEMENTS

None

1.10 TRANSACTIONS WITH RELATED PARTIES

The following amounts were paid or accrued to directors or companies controlled by directors or officers of the Company for services provided during the year. These amounts have been recorded at the exchange amount being the compensation agreed to by both parties:

	2011	2010
Consulting	$ 84,500	$ 42,000
Director fees	$ 23,000	$ 12,000
Office and administration	$ 62,304	$ 60,469

The amount due from related parties at September 30, 2011 of $59,339 (2010 - $Nil) is due from companies which are controlled by a director of the Company.

Included in the amount due to related parties at September 30, 2011 is $Nil (2010 – $1,350) due to a company which is controlled by a director of the Company, and $38,318 (2010 - $34,061) due to directors of the Company.

Included in accounts payable at September 30, 2011 is $168 (2010 - $Nil) due to a director.

Amounts due to related parties are unsecured, do not bear interest, and are classified as a current liability due to their nature and expected time of repayment; accordingly, the fair value cannot be practicably determined.

1.11 LIQUIDITY

The Company does not have any cash flow from operations or any production of mineral resources; accordingly, it must rely on equity financing to fund operations. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to any equity funding.

The Company's cash on hand increased to $428,550 as at September 30, 2011 from $668 as at September 30, 2010. The Company had a working capital surplus of $190,525 as at September 30, 2011 compared to a working capital deficiency of $145,357 as at September 30, 2010.

The Company's current asset balance of $542,757 (September 30, 2010 - $24,065) is comprised of cash of $428,550 (September 30, 2010 - $668), amounts receivable of $1,623 (September 30, 2010 - $nil), HST receivable from the Canada Revenue Agency of $15,831 (September 30, 2010 - $17,883), and prepaid expenses of $37,414 (September 30, 2010 - $5,514).

The Company's current liabilities total $352,232 (September 30, 2010 - $169,422) is made up of outstanding accounts payable and accrued liabilities relating to administrative and exploration expenses of $313,914 (September 30, 2010 - $99,610) and an amount due to a director of $38,318 (September 30, 2010 - $35,411). During the year ended September 30, 2011, a promissory note payable in the amount of $34,401 as at September 30, 2010 was paid.

There can be no assurance that future financings will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs. If the Company is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital, and substantial doubt exists regarding the Company's ability to continue as a going concern. The Company has no long term debt, capital lease obligations, operating leases, or any other long term obligations.

1.12 PROPOSED TRANSACTIONS

There are no proposed assets or business acquisitions or disposition, other than those in the ordinary course of business, before the board of directors for consideration.

1.13 CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates in the preparation of the Company's financial statements include the assumptions used in the determination of the fair value of financial instruments and stock based compensation, and the determination of the valuation allowance for future income tax assets and accruals. Management believes the estimates used are reasonable; however, actual results could differ materially from those estimates, and if so, would impact future results of operations and cash flows.

1.14 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There have been no changes in accounting policies since October 1, 2010, being the start of the Company's most recently completed fiscal year.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Canadian Accounting Standards Board has confirmed that effective January 1, 2011, IFRS will replace Canadian GAAP as the basis for accounting for publicly accountable enterprises. The first period reported under IFRS by the Company will be the three month period ended December 31, 2011, and the Company's first fiscal year end date under IFRS will be the fiscal year ending September 30, 2012. The Company's adoption date of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011.

The change from Canadian GAAP to IFRS will be a significant undertaking and may have significant effects on the Company's accounting, internal controls, disclosure controls, and financial statement presentation.

Design and Planning

The Company commenced transition plan development in 2011. The Company has determined its preliminary IFRS policy decisions and significant expected accounting differences based on an analysis of the current IFRS standards as outlined below. As the conversion work continues, additional differences between Canadian GAAP and IFRS may be identified. As a result, these accounting policy choices may change prior to the adoption of IFRS as will be first reported for the three months ended December 31, 2011. Although the Company has identified key accounting policy differences, the impact of these differences to its financial statements has not been determined at this time. Decisions with respect to accounting policy changes as outlined below may change once management has quantified and thoroughly analyzed the effects of such changes, and has presented them for final review and approval by the Company's Audit Committee.

First-time Adoptions of IFRS (IFRS 1)

In the first year of transition to IFRS, a company is allowed to elect certain exemptions from IFRS in order not to apply each IFRS on a retrospective basis. IFRS 1 has certain mandatory exemptions as well as limited optional exemptions. Based on analysis to date, the Company expects to apply the following optional exemptions under IFRS 1 that will be significant in preparing the financial statements under IFRS:

i) Share-Based Payments

A company may elect to apply IFRS 2, "Share-Based Payments" to equity instruments which vested before the transition date to IFRS. The Company will elect, on transition to IFRS, to apply the optional exemption such that equity instruments which vested prior to the transition date of October 1, 2010 will not be restated.

ii) Accounting Policies

The Company has determined that the main impact of IFRS on the Company will involve a significant increase in note disclosure as well as certain presentation differences:

a) Property, Plant, and Equipment

Although the design stage is not completed yet, the Company is not expecting to apply the fair value method to determine the deemed opening cost under IFRS which is one of the significant IFRS 1 exemptions.

The accounting policy of the Company will be amended to:

- review useful life, residual value, and method of depreciation on an annual basis;
- identify all significant components and their respective useful lives;
- capitalize major maintenance and replacement of significant parts, and derecognize the carrying value of the replaced parts; and
- include constructive obligations for significant dismantling and removal costs.

b) Financial Instruments

The accounting policy of the Company will be amended to:

- include changes to impairments of financial assets and their possible reversal; and
- detail the conditions that need to be met for the designation of a financial instrument as "fair value through profit and loss".

c) Impairment of Assets

The accounting policy of the Company will be amended to:

- change the assessment method of whether impairment exits since the two step approach allowed under Canadian GAAP is not acceptable under IFRS; therefore, the discounted cash flows are taken as an indication to determine impairment.

d) Share-Based Payments

Canadian GAAP allows certain policy choices in the calculation of stock based compensation. The Company currently amortizes grants in their entirety on a straight-line basis over the vesting term. IFRS requires each tranche in the grant to be amortized over its respective vesting period. As a result of these changes, share-based compensation expense will be accelerated under IFRS. At each reporting date, the amount recognized as stock based compensation under IFRS is adjusted to reflect management's estimate of forfeiture; whereas under Canadian GAAP, forfeitures are recorded when incurred. In addition, unvested options at September 30, 2010 will be re-valued under IFRS with consequent adjustments to the opening deficit. The Company currently vests options at the date of the grant.

This list should not be regarded as a complete list of changes that will result from the transition to IFRS. It is intended to highlight those areas that management believes to be most significant; however, management's analysis of possible changes is still in process and not all decisions have been made where choices of accounting policies are available. Until the Company's adoption date is finalized, the Company is not able to reliably quantify the impacts expected on its financial statements for these differences.

Presentation and Disclosure

IFRS will require more in-depth disclosure. The Company has taken the necessary steps to adjust the system requirements to ensure appropriate data collection for disclosure purposes.

Post Implementation

During this stage the Company will perform a review of the IFRS transition and ensure the preparation of financial statements in compliance with IFRS without external support.

The Company will stay informed on the upcoming changes to the IFRS based on the projects in place or to be initiated by the International Accounting Standards Board and will adjust its plan accordingly to include all key elements to ensure compliance during 2012.

1.15 CAPITAL RESOURCES

SHARE CAPITAL

	Shares	Amount
Balance, September 30, 2009	6,614,691	$ 12,325,311
Issued for debt	749,692	82,466
Issued for cash		
Private placements	3,351,590	433,750
Share issue costs	-	(22,380)
Balance, September 30, 2010	10,715,973	12,819,147
Issued for property	7,033,333	2,168,333
Issued for debt	14,666	6,600
Issued for cash		
Private placements	17,246,220	5,550,515
Exercise of warrants	6,516,948	1,473,698
Exercise of agent warrants	293,791	73,448
Exercise of stock options	557,500	116,750
Reallocation from warrants	-	51,355
Reallocation from contributed surplus	-	84,674
Share issue costs	-	(702,494)
Balance, September 30, 2011	42,378,431	21,642,026
Issued for cash		
Exercise of warrants	450,000	112,500
Exercise of agent warrants	12,000	3,000
Balance, January 30, 2012	42,840,431	$ 21,757,526

WARRANTS OUTSTANDING

	Number of Warrants	Weighted Average Exercise Price
Outstanding at September 30, 2009	1,269,551	$ 1.30
Warrants granted	4,101,282	0.31
Warrants expired	(1,129,551)	1.50
Outstanding at September 30, 2010	4,241,282	0.34
Warrants granted	17,246,220	0.81
Warrants exercised	(6,516,948)	0.23
Warrants expired	(10,000)	0.25
Outstanding at September 30, 2011	14,960,554	$ 0.89
Warrants exercised	(450,000)	0.25
Warrants expired	(10,000)	0.25
Balance, January 30, 2012	14,500,554	$ 0.91

As at January 30, 2012, the following share purchase warrants of the Company were outstanding:

Exercise Price	Number of Warrants	Expiry Date
$ 0.30	150,000	March 25, 2012
$ 0.30	498,000	March 26, 2012
$0.25/$0.35	3,268,332	October 20,2012
$1.00/$1.25	3,612,000	March 7, 2013
$1.00/$1.25	6,972,222	April 11, 2013
$ 0.91	14,500,554	

AGENT WARRANTS OUTSTANDING

	Number of Warrants	Weighted Average Exercise Price
Outstanding at September 30, 2009 and 2010	-	$ -
Agent warrants granted	1,322,561	0.76
Agent warrants exercised	(293,791)	(0.25)
Outstanding at September 30, 2011	1,028,770	$ 0.90
Agent warrants exercised	(12,000)	0.25
Balance, January 30, 2012	1,016,770	$ 0.90

As at January 30, 2012, the following agent warrants of the Company were outstanding:

Exercise Price	Number of Warrants	Expiry Date
$0.25/$0.35	275,875	October 20, 2012
$1.00/$1.25	252,840	March 7, 2013
$1.00/$1.25	488,055	April 11, 2013
$ 0.90	1,016,770	

OPTIONS OUTSTANDING

	Number of Options	Weighted Average Exercise Price
Outstanding at September 30, 2009	754,400	$ 1.70
Options cancelled	(754,400)	1.70
Options granted	1,075,000	0.20
Outstanding at September 30, 2010	1,075,000	0.20
Options granted	2,645,000	0.34
Options exercised	(557,500)	(0.21)
Outstanding at September 30, 2011 and January 30, 2012	3,162,500	$ 0.32

The following summarizes the stock options outstanding and exercisable at January 30, 2012:

Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Expiry Date
$ 0.20	622,500	622,500	May 5, 2012
$ 0.25	995,000	995,000	October 28, 2012
$ 0.35	200,000	200,000	December 1, 2012
$ 0.35	300,000	300,000	December 15, 2012
$ 0.45	220,000	220,000	January 5, 2013
$ 0.45	500,000	500,000	April 11, 2013
$ 0.45	125,000	62,500	May 6, 2013
$ 0.38	200,000	200,000	September 14, 2013
$ 0.32	3,162,500	3,100,000	

1.16 ADDITIONAL INFORMATION

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