

EXPEDITION MINING INC.
MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended March 31, 2012

Directors and Officers as at May 16, 2012

Directors:

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EXPEDITION MINING INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Three Months Ended December 31, 2011

1.1 Date of This Report

May 16, 2012

This MD&A includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Reported currency is stated in Canadian dollars.

1.2 Overall Performance

Description of Business

Expedition Mining Inc. is involved in the acquisition, exploration and development of mineral properties. The Company has an interest in mineral properties known as the Joy and Mt. Mervyn located in the Yukon Territory and the Jenny Hill, Black Hills and Slate Mountain Projects in Nevada, USA, which are in the exploration and development stage.

During the six months ended March 31, 2012, the Company continued to actively review and assess alternative mineral properties in North America for possible acquisitions with a view of enhancing shareholder value.

1.3 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the consolidated financial statements of the Company and notes attached hereto.

Results of Operations

During the six months ended March 31, 2012, the Company reported a net loss of \$270,793 as compared to net income of \$85,791 for the comparative period March 31, 2011. In the comparative period, the Company reported a total gain of \$434,627 from the sale of Crosshair shares it held.

The general and administrative expenses reported an insignificant increase of \$8,012 (2012 - \$253,320; 2010 - \$245,308). Below is a breakdown of the expenses:

Expenses Category	31-Mar-11	31-Mar-10	Increase (Decrease)
- Bank charges & interest	660	352	308
- Consulting fees	6,000	300	5,700
- Corporate & admin	17,688	19,253	(1,565)
- Directors' fees	9,500	12,565	(3,065)
- Filing fees & transfer agent fees	12,927	13,079	(152)
- Legal & accounting	34,878	38,817	(3,939)
- Management fees	100,680	100,049	631
- Office rent, services & supplies	36,425	29,739	6,686
- Shareholders' information	14,407	18,926	(4,519)
- Travel, meals & entertainment	20,155	12,228	7,927
Total	253,320	245,308	8,012

The only significant increases are office expenses and travel, meals & entertainment. Office increased due to the cost of the increase in directors and officers liability insurance, increase in rent, and general increase in office supplies and services. Travel increase is all related to management's travel costs.

Shareholders Communication and Travel

The Company reported shareholders communication and travel expenses totaling \$34,562 (2011 - \$31,154) and broken down as follows:

	31-Mar-12	31-Mar-11
Communication & information	\$ 3,591	\$ 5,400
Press releases	2,454	1,560
Printing, mail-out & supplies	337	1,784
Telephone & website	8,025	10,382
Travel & promotion	20,155	12,028
	\$ 34,562	\$ 31,154

1.4 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	<u>Q2 31-Mar-12</u>	<u>Q1 31-Dec-11</u>	<u>Q4 30-Sep-11</u>	<u>Q3 30-Jun-11</u>
	IFRS	IFRS	IFRS	IFRS
Net Income (loss)	(183,107)	(87,686)	(140,188)	(1,699,493)
Per Share	(0.00)	(0.00)	(0.00)	(0.03)
	<u>Q2 31-Mar-11</u>	<u>Q1 31-Dec-10</u>	<u>Q4 30-Sep-10</u>	<u>Q3 30-Jun-10</u>
	IFRS	IFRS	IFRS	CGAAP
Net Income (loss)	(549,417)	845,208	410,002	(518,962)
Per Share	(0.02)	0.02	0.01	(0.01)

Discussion

Six months ended March 31, 2012:

For the six ended March 31, 2012, please refer to Section 1.4 Results of Operations.

EXPLORATION AND EVALUATION ASSETS

Yukon Properties

Joy Property

On November 18, 2010, the Company entered into an option agreement pursuant to which it can acquire a 100% interest in the Joy gold property from Bullrun Investments Inc. The property is located on a 16 km x 5 km claim block (128 claims) 60 km northeast of Keno City, central Yukon.

The area covered by the Joy claim block was the subject of a Yukon Geological Survey (YGS 2010) project whereby the YGS completed a summer program of mapping and soil sampling. The summer long YGS program included detailed (~ 1:50K scale) bedrock mapping plus a very coarse ridge and spur soil sampling program (~ 500 m spacing). The Yukon Geological Survey presented the results of the Mt. Mervyn (Joy claims area) soil survey and preliminary bedrock mapping results at the Yukon Geoscience Forum on November 23, 2010.

The terms of the agreement are as follows:

Cash:	\$75,000 within five days of signing the Option Agreement (paid) \$25,000 on or before May 1, 2011 (paid) \$50,000 on or before December 1, 2011 (paid)
Common Shares:	250,000 common shares within five days of the TSX Venture acceptance of the Option Agreement (issued) 250,000 common shares on or before January 10 2011 (issued) 500,000 common shares on or before July 1, 2011 (issued)
Cash or Shares:	\$150,000 cash or stock at the Company's option on or before May 1, 2012 (subsequently paid \$50,000 and issued 11,76,471 shares) \$150,000 cash or stock at the Company's option on or before May 1, 2013
Feasibility Study:	Payment of \$250 000, in cash or common stock in the Company at the Company's option on the earlier date of the sixth anniversary of the agreement or upon receipt by the Optionee of a NI 43-101 report indicating a resource of a minimum 500,000 contained ounces of gold on the property.
Work Program:	Minimum of \$200,000 on or before December 31, 2011 (incurred \$589,835) A further \$300,000 on or before December 31, 2012 A further \$500,000 on or before December 31, 2013
NSR:	The Optionor will have a 2% net smelter returns Royalty on the Property. The NSR Royalty may be reduced to 1% by the payment of \$1,000 000 to the Optionor.

On November 26, 2010, the TSX Venture Exchange approved the property transaction.

On November 17, 2011, the Company announced the results from the 2011 Joy Property work program. The work program was guided by an airborne geophysical survey, which had been flown in the spring. In the region of the Joy property the survey demonstrated that the strongest geophysical anomalies are east-west trending and appear to coincide with the projected locations of the Kathleen Lakes fault, the Dawson thrust and an ultramafic unit. The initial stream sediment sampling program (NR11-13, August 18, 2011) resulted in numerous multi-element geochemical anomalies associated with the northerly trending secondary drainages throughout the property. These anomalies are believed to be significant as they include the important pathfinder elements of As, Sb, Hg and Tl.

The follow-up program to the stream sediment sampling consisted of systematic soil sampling along contour lines within the anomalous drainages. A total of 1882 soil samples were collected and analyzed for gold and a 51 element ICP package at AGAT Laboratories in Mississauga, Ontario.

Mapping has shown the property to be underlain by fault bounded slices of limestones, clastic sedimentary units and ultramafic rocks. These units appear to have a southerly dip which is significant as the soil geochemical anomalies occur along the northern edge of the property. Extensive, and locally intense, quartz-carbonate alteration is associated with structural breaks in all of the rock types identified.

Prospecting during the course of the soil sampling program resulted in the discovery of 2 showings associated with the lower contact of the ultramafic unit. These are located in the northwest corner of the property and were named the Virga and Kermoda showings. Silver, lead-zinc mineralization is associated with quartz carbonate veining in these rocks. The showings are also highly anomalous in As, Cd, Hg, Sb and Tl along with elevated gold. Sampling of the ultramafic rocks indicates that they are significantly depleted in these elements.

The multi-element soil geochemical anomaly can be traced across the entire 7 km east-west width of the Joy property, where it is generally co-incident with the lower contact of the ultramafic unit. The strongest portion of the anomaly is located over the 4 easternmost drainages, which also contain the highest soil gold value of 185 ppb. In this area the rock units underlying the ultramafic are dominantly composed of mudstones as opposed to the phyllitic units to the west. The greatest concentration of soil geochemical anomalies is clustered around the intersection of the lower bounding fault of the ultramafic unit with a major north trending fault zone in the central portion of the property.

The mineralization identified to date is associated with extensive, and locally intense, quartz-carbonate alteration zones. These zones show a strong correlation to the east-west trending thrust slices of the Dawson Thrust, particularly in the vicinity of cross-cutting northerly trending faulting.

The Company is very pleased with the quality of the anomalies generated by the reconnaissance level exploration completed during the 2011 field season. Prior to drilling the Company will conduct additional soil sampling, trenching and ground geophysical surveys to better define the drill targets. Geological and logistical support for the program is being provided by Aurora Geosciences.

Mt. Mervyn

On April 12, 2011, the Company entered into an option agreement pursuant to which it can acquire a 100% interest in the Mt. Mervyn gold property from Paul Dadwal. The Mt. Mervyn property is located in the Mayo Mining District of central Yukon and is comprised of 314 unpatented mining claims, approximately 6,564 hectares (65.64 sq kilometres). The agreement was approved by the TSX Venture Exchange on April 18, 2011.

In order to exercise its option under the option agreement, the Company must make payments and issue shares as set below.

Cash:

\$75,000 within five business days after Exchange Acceptance Date (paid)

\$75,000 on or before June 1, 2011 (paid)

Common Shares:

250,000 within business days after Exchange Acceptance Date (issued)

250,000 on or before June 1, 2011 (issued)

250,000 on or before October 1, 2011 (issued)

250,000 on or before March 31, 2012 (issued)

The Company committed to make the initial payment of \$75,000 (paid) and the initial issuance of 250,000 common shares (issued) once the title to the claims comprising the Mt. Mervyn property were recorded in the Company's name.

Net Smelter Returns Royalty (NSR):

The optionor has a 2-per-cent net smelter royalty on the property. The NSR may be reduced to 1-per-cent by the payment of \$1-million to the optionor.

The above transaction received the approval of the TSX Venture Exchange on April 18, 2011.

On December 1, 2011, the Company announced the results from the 2011 Mt. Mervyn Property work program. The work program was guided by an airborne geophysical survey which had been flown in the spring. In the region of the Mt. Mervyn property the survey demonstrated that the strongest geophysical anomalies are east-west trending and appear to coincide with the projected location of the Kathleen Lakes fault. The initial stream sediment sampling program (NR 11-14, August 30, 2011) resulted in numerous multi-element geochemical anomalies throughout the property. These anomalies are believed to be significant as they include the important pathfinder elements of As, Sb, Hg and Tl.

The follow-up program to the stream sediment sampling consisted of systematic soil sampling along contour lines within the anomalous drainages and a grid based survey in the northwestern corner. A total of 1534 soil samples and 41 rock samples were collected and analyzed for gold and a 51 element ICP package at AGAT Laboratories in Mississauga, Ontario.

Reconnaissance mapping has shown the property to be underlain by limestones, clastic sedimentary units and ultramafic rocks.

Anomalous gold values in soil were concentrated along a 6 km by 1 km belt in the southeast corner of the claim block, south of the projection of the Kathleen Lakes structure. The airborne survey shows a series of generally easterly trending lineaments subparallel to, and located south of the Kathleen Lakes structure. A strong southerly trending linear is also evident which extends for over 3 kms south of the Kathleen Lakes structure, to and beyond the edge of the property. Gossanous drainages were observed in this area during the first pass stream sediment sampling program earlier in the season.

The strongest mineralization identified to date is associated with a 1.5 km square area on the eastern portion of the claims. This multi-element anomaly is coincident with the projected intersection of the easterly trending Kathleen Lakes fault and the southerly trending structural zone. The anomaly is observed across 4 soil lines, remains open to the west, and is partly coincident with the zone of anomalous gold values.

Planning is underway for the 2012 follow-up work programs. The Company is very pleased with the anomalies generated by the reconnaissance level exploration completed during the 2011 field season, which has provided numerous targets for additional work. The 2012 exploration program will include additional soil sampling, trenching and ground geophysical surveys to define drill

targets. Geological and logistical support for the program is being provided by Aurora Geosciences.

Nevada Properties

Jenny Hill and Black Hills Property

Jenny Hill Property

This property consists of 25 unpatented lode claims covering approximately 515 acres (208 hectares) and is located 100 miles (161 kms) southeast of Reno, Nevada.

Black Hills Property

This property consists of 43 unpatented lode claims covering approximately 886 acres (358 hectares) and is approximately 100 miles (161 kilometres) southeast of Reno, Nevada. The property is located about two miles south of the Jenny Hill property. The property is situated on a major strand of the Walker Lane Fault and is midway between the past-producing Rawhide and Paradise Peak open pit gold mines in northeastern Mineral County.

The Jenny Hill and Black Hills agreement calls for lease payments to be made as follows:

<u>Date</u>	<u>Payment Amount</u>
March 1, 2012	\$ 20,000.00 (subsequently paid)
September 1, 2013	20,000.00
September 1, 2014	25,000.00
September 1, 2015	30,000.00
September 1, 2016	35,000.00
September 1, 2017	40,000.00

and \$40,000 on September 1 of each subsequent year, until the expiry of the lease on August 31, 2022.

In consideration of the Mining Lease and Option Agreement, Expedition shall issue and deliver to the Owners 50,000 common shares on signing (to be issued) and 50,000 common shares on or before September 1, 2013.

On March 19, 2012, the Company received TSX Venture Exchange approval.

Slate Mountain Project

This property consists of 23 unpatented lode claims covering approximately 473 acres (190 hectares) and is 90 miles (145 kms) southeast of Reno, Nevada. The claim block is approximately 15 miles (24 kms) north of the Rawhide mine, a former open pit gold produce. The agreement calls for lease payments to be made as follows:

<u>Date</u>	<u>Payment Amount</u>
March 1, 2012	\$ 10,000.00 (subsequently paid)
September 1, 2013	15,000.00
September 1, 2014	20,000.00
September 1, 2015	25,000.00
September 1, 2016	30,000.00
September 1, 2017	35,000.00

and \$35,000 on September 1 of each subsequent year, until the expiry of the lease on August 31, 2022.

On March 19, 2012, the Company received TSX Venture Exchange approval.

EXPENDITURES:

Details of deferred exploration costs for the property are as follows:

	Balance 30-Sep-11	Additions during the period	Write-off during the period	Balance 31-Mar-12
Joy Property, Yukon				
Acquisition costs	325,000	50,000	-	375,000
Deferred Expenses				
- Camp costs	12,499	-	-	12,499
- Consulting	6,321	3,925	-	10,246
- Data acquisition	70,380	-	-	70,380
- Field work & supplies	29,113	1,114	-	30,227
- Geochem & Geophysics	34,473	1,515	-	35,988
- Helicopter	174,058	-	-	174,058
- Legal	14,996	201	-	15,197
- Mobilization	30,742	(619)	-	30,123
- Soil sampling & trenching	176,421	44,799	-	221,220
Total Joy	874,003	100,935	-	974,938
Mt. Mervyn Property, Yukon				
Acquisition costs	332,500	27,500	-	360,000
Deferred Expenses				
- Camp costs	18,748	-	-	18,748
- Consulting	6,371	3,925	-	10,296
- Data acquisition	105,570	-	-	105,570
- Field work & supplies	55,750	1,671	-	57,421
- Geochem & Geophysics	110,577	13,418	-	123,995
- Helicopter	100,191	-	-	100,191
- Legal	10,818	-	-	10,818
- Mobilization	46,113	(2,759)	-	43,354
- Soil sampling & trenching	96,666	37,771	-	134,437
Total Mt. Mervyn	883,804	81,727	-	965,031
Jenny Hill & Black Hills				
Acquisition costs	-	19,923	-	19,923
Slate Project				
Acquisition costs	-	9,962	-	9,962
Total Exploration and Evaluation Assets	1,757,307	212,547	-	1,969,854

1.5 Liquidity

Expedition Mining Inc. is a mining exploration and development company with no producing resource properties, and consequently, no current operating income or cash flow.

In management's view, given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the acquisition of a viable property and the discovery of economically recoverable reserves. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

At March 31, 2012, the Company had \$2,111,321 in cash and deposits. The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. As at March 31, 2012, the Company had working capital of \$2,146,855 (September 30, 2011 - \$2,544,098).

Cash and cash equivalents

	31-Mar-12	30-Sep-11
Cash deposits with Bank of Montreal	\$ 237,529	\$ 177,313
Flow-through funds	-	233,971
GIC – Bank of Montreal	800,000	1,440,000
GIC – HSBC	1,073,792	1,067,363
Canaccord	-	-
Total cash and cash equivalents	\$ 2,111,321	\$ 2,918,647

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with two large Canadian banks.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company faces certain foreign exchange risks related to expenses and deferred exploration costs incurred in U.S. dollars, a currency which may appreciate against the Canadian dollar, the Company's reporting currency. Additionally, net working capital balances denominated in non-reporting currencies are also subject to fluctuations in value. The Company mitigates these threats by limiting its exposure to such balances where their expenditure in the same non-reporting currency is not imminent.

Commitments

The Company has certain work commitments on their mineral property interests as discussed in Section 1.5 and Notes 6 and 10 of the Financial Statements.

1.6 Capital Resources

The Company's capital resources are its exploration and evaluation assets, with a historical cost of \$1,969,854 (\$1,757,307 – September 30, 2011) and its fixed assets (computers & office equipment) with a book value of \$18,601 (\$20,189 – September 30, 2011).

1.7 Off Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

1.8 Second Quarter

The second quarter results do not differ significantly from other quarters.

1.9 Transactions with Related Parties

During the three months ended December 31, 2011, the Company was charged the following amounts by directors and officers or by companies controlled by the director or officers:

		Six Months Ended	
		31-Mar-12	31-Mar -11
Management fees	\$	134,430	133,496
Directors fees		9,500	12,595
Share-based payments		57,009	-
Total	\$	200,939	146,061

The Company granted 575,000 employee stock options to directors or officers with an exercise amount of \$0.15 and reported stock-based compensation expense of \$57,009 (2011 - \$Nil).

Included in accounts payable is \$3,500 of directors fees payable (\$7,500 – September 20, 2011).

1.10 Proposed Transactions

N/A

1.11 Critical Accounting Estimates

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management.

1.12 Transition to IFRS

FIRST TIME ADOPTION OF IFRS (IFRS 1)

The Company has adopted IFRS on October 1, 2011 with a transition date of October 1, 2010. Under IFRS 1 First time adoption of International Financial Reporting Standards (IFRS 1), the IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit, with IFRS 1 providing for certain optional and mandatory exemptions to this principle.

The Company has elected to apply the following optional exemptions:

Business Combinations

IFRS 1 allows that a first-time adopter may elect not to apply IFRS 3 Business Combinations (IFRS 3) retrospectively to business combinations prior to the date of transition avoiding the

requirement to restate prior business combinations. The Company has elected to apply IFRS 3 to business combinations that occur on or after October 1, 2010, to which there were none.

Decommissioning provision

IFRS requires specified changes in a decommissioning or similar liability to be added or deducted from the cost of the asset to which it relates. The adjusted depreciable amount is then depreciated prospectively over its remaining useful life. IFRS 1 allows a first time adopter to not comply fully with these accounting requirements for changes in such liabilities that occurred before the date of transition and instead apply a simplified method which is set out in IFRS 1. The Company has elected this exemption.

Fair value as deemed cost

The Company may elect among two options when measuring the value of its assets under IFRS. It may elect, on an asset by asset basis, to use either historical cost as measured under retrospective application of IFRS or fair value of an assets at the opening statement of financial position date. The Company has elected to use historical cost for its assets.

The Company applied the following mandatory exception:

Estimates

Hindsight is not used to create or revise estimates. 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 the previous GAAP applied, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of October 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Adjustments on Transition to IFRS

Flow-through shares

Under Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity less the tax effects of renunciation. Under IFRS, on issuance of flow-through shares, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, that investors pay for the flow-through feature, which is recognized as a liability and ii) share capital. Upon expenses being renounced, the Company derecognizes the liability and the premium is recognized as other income.

Flow-through shares

Impact on Financial Statements

	September 30, 2011	March 31, 2011	October 1, 2010
Accumulated adjustment to:			
Flow-through share premium	\$ -	\$ 210,000	-
Share capital	\$ 195,291	195,291	-
Deficit	(195,291)	(195,291)	-

Presentation differences

Some line items are described differently under IFRS compared to Canadian GAAP. These line items are as follows (with Canadian GAAP descriptions in brackets):

- i. Exploration and evaluation assets ("Mineral properties")
- ii. Decommissioning and restoration provision ("Asset retirement obligation")
- iii. Share-based payment reserve ("Contributed surplus")

Reconciliation to previously reported financial statements

A reconciliation of the changes is included in these following Consolidated Statements of Financial Position and Consolidated Statements of Operations and Comprehensive Income for the dates noted below. The effects of transition from GAAP to IFRS on the cash flow are not material; therefore a reconciliation of cash flows has not been presented.

- Transitional Consolidated Statement of Financial Position Reconciliation – October 1, 2010.
- Consolidated Interim Statement of Financial Position Reconciliation - March 31, 2011.
- Consolidated Interim Statement of Operations and Comprehensive Income Reconciliation – March 31, 2011.
- Consolidated Statement of Financial Position Reconciliation – September 30, 2011.
- Consolidated Statement of Operations and Comprehensive Income Reconciliation – September 30, 2011.

The March 31, 2011 Canadian GAAP consolidated statement of financial position has been reconciled to IFRS as follows:

	March 31, 2011	Effect of Transition to	March 31, 2011
	CAN GAAP	IFRS	IFRS
Assets			
Current			
Cash	\$ 4,093,288	\$ -	\$ 4,093,288
Amounts receivables	29,480	-	29,480
Security deposits	5,750	-	5,750
Prepaid expense	8,925	-	8,925
	4,137,443	-	4,137,443
Reclamation bond	17,886	-	17,886
Equipment	23,582	-	23,582
Exploration and evaluation assets	1,158,012	-	1,158,012
	<u>\$ 5,336,923</u>	<u>\$ -</u>	<u>\$ 5,336,923</u>
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 14,605	\$ -	\$ 14,605
Flow-through share premium		210,000	210,000
	14,605	210,000	214,605
Decommissioning provision	17,886	-	17,886
Shareholders' Equity			
Share capital	24,403,991	(195,291)	24,208,700
Share-based payment reserve	3,393,386	-	3,393,386
Deficit	(22,492,945)	(14,709)	(22,507,654)
	5,304,432	(210,000)	5,094,432
	<u>\$ 5,336,923</u>	<u>\$ -</u>	<u>\$ 5,326,923</u>

The Canadian GAAP consolidated statement of operations and comprehensive income for the period ended March 31, 2011 has been reconciled to IFRS as follows:

	March 31, 2011	Effect of Transition to IFRS	March 31, 2011
	CAN GAAP		IFRS
General and administrative expenses			
Bank charges and interest	\$ 352	\$ -	\$ 352
Consulting fees	300	-	300
Corporate and administration fees	19,253	-	19,253
Directors' fees	12,565	-	12,565
Filing and transfer agent fees	13,079	-	13,079
Legal & accounting fees	38,817	-	38,817
Management fees	100,049	-	100,049
Office rent, salaries and supplies	29,739	-	29,739
Shareholders' communication, & promotion	18,926	-	18,926
Travel, meals & entertainment	12,228	-	12,228
	(245,308)	-	(245,308)
Other items			
Amortization	(3,006)	-	(3,006)
Interest income	5,899	-	5,899
Flow-through instrument issue costs	-	(14,709)	(14,709)
Foreign exchange translation	(15)	-	(15)
Gain (loss) on sale of other assets	(334,752)	-	(334,752)
Gain (loss) due to fair value adjustment	769,379	-	769,379
Gain (loss) on revaluation of receivable	(91,697)	-	(91,697)
Gain and comprehensive gain for the period	\$ 100,500	(14,709)	\$ 85,791

1.13 Financial and Other Instruments

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and due from (to) related parties approximate their fair values due to the short maturity of those instruments.

1.14 Other

Disclosure of Outstanding Share Capital: May 16, 2012

	<u>Number</u>
Common Shares	<u>58,186,789</u>

Disclosure of Outstanding Stock Options: May 16, 2012

	<u>Number</u>
Incentive Stock Options	<u>4,205,000</u>

Disclosure of Outstanding Share Purchase Warrants: May 16, 2012

	<u>Number</u>
Share Purchase Warrants	<u>3,521,875</u>

Fully diluted 65,913,664

Disclosure Controls and Procedures

It should be noted that pursuant to Multilateral Instrument 52-511 (adopted by the British Columbia Securities Commission on November 23, 2007), that the officers of the Company are no longer required to certify the effectiveness of disclosure controls and procedures used by the Company, as was required in previous interim filings under National Instrument 52-109. Accordingly, the new forms of certificate to be signed by the Company's Chief Executive Officer and Chief Financial Officer contain the following Note to Reader:

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

1.15 Subsequent events

Subsequent to March 31, 2012, the following transactions occurred:

- Issued 50,000 shares with respect to the Jenny Hill and Black Hill agreement.
- Paid \$50,000 and issued 1,176,471 shares with respect to the Joy property. The agreement called for cash or shares at the Company's option on or before May 1, 2012. The shares were valued based on the 5 day trading average trading price of the stock.

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.