

## DATINVEST INTERNATIONAL LTD.

### MANAGEMENT DISCUSSIONS AND ANALYSIS

For the Three Months ended March 31, 2011

#### General

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Datinvest International Ltd. (the "Company") during the three months ended March 31, 2011. Management of the Company has prepared this MD&A as of June 29, 2011.

This MD&A is a complement and supplement to the unaudited interim financial statements and notes for the three months ended March 31, 2011. It should also be read in conjunction with the audited financial statements and notes for the year ended December 31, 2009. Both can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Forward-Looking Statements

Except for historical information, this MD&A includes forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect results, changes in assumptions or changes in other factors affecting such statements.

#### The Company

The Company has no business or operations and continues to be designated as "Inactive" by the TSX Venture Exchange since September 28, 2001. The Company is currently reviewing new projects. The Company's shares are trading under the symbol DAI.H and are regulated by the NEX polices.

As at March 31, 2011, the Company has a working capital surplus of \$244,445 (December 31, 2010: \$252,715; December 31, 2009: \$287,246. As at March 31, 2011, the, the Company reported a deficit of (\$2,601,054) (December 31, 2010: (\$2,592,784); December 31, 2009: (\$2,558,253).

#### Selected Annual Information

	Years ended December 31		
	2010	2009	2008
Revenues	\$-	\$85	\$10,500
Loss of the year before extraordinary items	\$34,531	\$51,159	\$197,837
Basic and Diluted Loss per Share	\$0.01	\$0.01	\$0.01
Loss for the Year	\$34,531	\$51,159	\$197,837
Total Assets	\$354,038	\$390,239	\$467,312
Liabilities (L.T.)	-	-	-
Cash dividends	-	-	-

These financial data have been prepared in accordance with generally accepted accounting principles in Canada and reported in Canadian dollars.

## Summary of Quarterly Results

### **Results of Operations for the three months ended March 31, 2011 and 2009**

For the three months ended March 31, 2011, the Company incurred a loss of \$8,270 (2010: \$6,047) and has accumulated losses of \$2,601,054 (March 31, 2010 -\$2,564,300). The net loss is higher for the three months ended March 31, 2011 than the same period previous year due to increase in management fees.

## Summary of Quarterly Results

	2011				2010			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total revenue	\$-	\$-	\$-	\$-	\$-	(\$2,878)	\$-	\$406
Loss for the Period before extraordinary items	\$8,270	\$13,210	\$4,890	\$10,384	\$6,047	\$11,166	\$7,428	\$12,710
Basic Loss per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Diluted Loss per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Loss for the Period	\$8,270	\$13,210	\$4,890	\$10,384	\$6,047	\$26,166	\$7,428	\$12,710
Basic Loss per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Diluted Loss per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

These financial data have been prepared in accordance with generally accepted accounting principles in Canada and reported in Canadian dollars.

## **Liquidity and Capital Resources**

### Working Capital

As at March 31, 2011, the Company has a working capital surplus \$244,445 (December 31, 2009 - \$252,715) and a deficit of \$2,601,054 December 31, 2010 – (\$2,592,784).

The Company has no commitment for capital expenditures as of June 29, 2011.

### Cash and Short Term Investment

On March 31, 2011, the Company had cash of \$328,186 (December 2010 - \$330,357). Management of cash balances is conducted in-house based on internal investment guidelines, which generally specify that investments be made in conservative money market instruments that bear interest and carry a low degree of risk. Some examples of instruments in which the Company may invest its cash are treasury bills, money market funds, bank guaranteed investment certificates and bankers' acceptance notes. The objective of these investments is to preserve funds for the advancement of the Company's properties.

## Cash Used in Operating Activities

Cash used by operating activities during the three months ended March 31, 2011 was \$2,171. Cash was mostly spent on management fees, office, professional fees, and transfer and filing fees.

### Cash Used in Investing Activities

Total cash generated by investing activities during the three months ended March 31, 2011 was \$nil (2010 - \$nil).

### Cash Generated by Financing Activities

Total cash generated by financing activities for the three months ended March 31, 2011 was \$nil (2010 - \$nil).

### **Going Concern**

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As at March 31, 2011 the Company had not yet achieved profitable operations, has accumulated losses of \$2,601,054 since its inception, a working capital surplus of \$244,445 and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

### **Off-Balance Sheet Arrangements**

The Company is not committed to any off-balance sheet arrangements.

### **Financing Activities**

On August 12, 2010, the Company received 250,000 shares of Orestone Mining Corp. in settlement of the \$25,000 owed by Intuitive Exploration Inc., which was acquired by Orestone on June 3, 2010. The shares have a hold period expiring on December 26, 2010.

On May 17, 2011, the Company arranged a non-brokered private placement of up to 7,692,308 Units of the Company for gross proceeds of \$500,000 at a price of \$0.065 per Unit, each Unit consisting of one common share and one warrant, each warrant entitling the holder to purchase one additional share of the Company at a price of \$0.10 per share for a period of twelve months.

All securities issued pursuant to the Offering will be subject to a four month hold period expiring on September 18, 2011. The net proceeds from the private placement will be used for general working capital. No finder's fee will be paid with respect to this financing.

## Share Capital

Issued and outstanding:

	Number of Shares	Amount	Contributed Surplus
Balance at December 31, 2007	10,402,042	\$ 2,365,137	\$ 83,638
- warrants exercised at \$0.21	1,698,750	356,738	-
- stock option compensation	-	-	39,986
Balance at March 31, 2011, December 31, 2010 and 2009	12,100,792	\$ 2,721,875	\$ 123,624

On May 17, 2011, the Company arranged a non-brokered private placement of up to 7,692,308 Units of the Company for gross proceeds of \$500,000 at a price of \$0.065 per Unit, each Unit consisting of one common share and one warrant, each warrant entitling the holder to purchase one additional share of the Company at a price of \$0.10 per share for a period of twelve months.

As at the date of this report, the number of issued and outstanding shares was 19,793,100 (amount \$3,221,875).

During the year ended December 31, 2008, the company issued 1,698,750 shares upon the exercise of warrants at a price of \$0.21 per warrant.

### Warrants

There were no outstanding warrants as of March 31, 2011 and December 31, 2010.

### Options

Options	June 29, 2011		March 31, 2011	
	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price
Outstanding, beginning of year	650,000	\$ 0.200	650,000	\$ 0.200
Granted	7,692,308	\$0.065	-	-
Expired/cancelled	-	-	-	-
Exercised	-	-	-	-
Outstanding, end of period	8,342,308	\$ 0.076	650,000	\$ 0.076

Options:

	<b>June 29, 2011    March 31, 2011</b>		
<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
April 30, 2012	\$ 0.215	350,000	350,000
June 2, 2013	\$ 0.190	300,000	300,000
May 17, 2012	\$0.100	7,692,308	7,692,308
		<b>8,342,308</b>	<b>8,342,308</b>

### **Proposed Transactions**

There are no proposed transactions that the Company has not previously disclosed.

### **Critical Accounting Estimates**

The Company's significant accounting policies are contained in Note 2 to the interim financial statements for the three months ended March 31, 2011. Certain of these policies are recognized as critical because in applying these policies, management is required to make judgments, assumptions and estimates that have a significant impact on the financial results of the Company.

### **Stock-Based Compensation**

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including share price, volatility and expected life of the options. Changes in these assumptions can materially affect the fair value estimate.

### **Transactions with Related Parties**

During the three months ended March 31, 2011 the Company was charged \$5,000 (March 31, 2010 \$3,000) for management fees by its directors. At March 31, 2011, the Company owed \$11,200 (March 31, 2010 - \$6,300).

During the three months ended March 31, 2011 the Company was charged \$Nil (March 31, 2010 - \$Nil) for legal services to a company related to a director. At March 31, 2011, the Company owed \$14,021 (March 31, 2010 - \$15,021).

## Adoption of International Financial Reporting Standards

The Canadian Accounting Standards Board (“AcSB”) has set January 1, 2011 as the date for publicly listed companies to adopt International Financial Reporting Standards (“IFRS”). Accordingly, IFRS compliant consolidated financial statements for the Company will be required for the first quarter of 2011, which ends March 31. Comparative figures presented in these consolidated financial statements are also required to comply with IFRS, which gives the Company an effective transition date of January 1, 2010.

<p style="text-align: center;"><b>Accounting Policies and Procedures</b></p> <ul style="list-style-type: none"> <li>• Review our accounting policies and identify differences between Canadian GAAP and IFRS;</li> <li>• Review and determine which IFRS 1 exemptions we will utilize</li> </ul>	<p style="text-align: center;"><b>Status</b></p> <ul style="list-style-type: none"> <li>• Differences have been identified and IFRS 1 exemptions have been selected;</li> <li>• Review has been completed by management and the board of directors.</li> </ul>
<p style="text-align: center;"><b>Internal Controls over Financial Reporting</b></p> <ul style="list-style-type: none"> <li>• Assess the effectiveness of internal control policies and procedures and implement any necessary changes</li> </ul>	<p style="text-align: center;"><b>Status</b></p> <ul style="list-style-type: none"> <li>• Completed;</li> <li>• Reviewed and approved by management and board of directors</li> </ul>
<p style="text-align: center;"><b>Disclosure of Controls and Procedures</b></p> <ul style="list-style-type: none"> <li>• Review disclosure controls and procedures in our corporate governance policies and implement any necessary changes</li> </ul>	<p style="text-align: center;"><b>Status</b></p> <ul style="list-style-type: none"> <li>• Completed;</li> <li>• Reviewed and approved by management and board of directors</li> </ul>
<p style="text-align: center;"><b>Financial Reporting Expertise</b></p> <ul style="list-style-type: none"> <li>• Quantify the effects of converting to IFRS;</li> <li>• Reconcile Canadian GAAP 2010 financial statements, including the balance sheet as of January 1, 2010 to IFRS as required by IFRS 1;</li> <li>• Prepare financial statements and note disclosures in compliance with IFRS beginning January 1, 2011</li> </ul>	<p style="text-align: center;"><b>Status</b></p> <ul style="list-style-type: none"> <li>• Completed;</li> <li>• The opening balance sheet as of January 1, 2010 has been drafted and reviewed by management;</li> <li>• The conversion of the 2010 Canadian GAAP financial statements to IFRS has been completed</li> </ul>
<p style="text-align: center;"><b>Business Activities</b></p> <ul style="list-style-type: none"> <li>• Review and assess how the conversion to IFRS will affect business activities such as debt covenants, capital requirements, and compensation agreement</li> </ul>	<p style="text-align: center;"><b>Status</b></p> <ul style="list-style-type: none"> <li>• Completed</li> </ul>
<p style="text-align: center;"><b>Information Technology Systems</b></p> <ul style="list-style-type: none"> <li>• Review IT hardware systems and assess adequacy for conversion to IFRS;</li> <li>• Review how data is captured in accounting software for Canadian GAAP reporting and implement change to enable the accurate capturing of data for IFRS reporting</li> </ul>	<p style="text-align: center;"><b>Status</b></p> <ul style="list-style-type: none"> <li>• Completed and reviewed by management;</li> <li>• We use our accounting software to capture data at the level of the CGU, which is necessary for accurate IFRS reporting</li> </ul>

The Company has prepared its interim financial statements for the three months ended March 31, 2011 in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The Company’s financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS, and these interim financial statements were prepared as described in note 2, including the application of IFRS 1, First-time Adoption of International Financial Reporting Standards. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement, in those financial statements, of compliance with IFRS. The Company will make this statement when it issues its 2011 annual financial statements.

IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the “transition date”). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions from full retrospective application for first time IFRS adoption.

#### First-time Adoption Exemptions Applied

The Company adopted IFRS on January 1, 2011 with transition date of January 1, 2010 (the "Transition Date"). Under IFRS 1 'First-time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied. The Company has chosen to apply the following elections to:

- Not apply IFRS 2 'Share-based Payments', to liabilities arising from share based payment transactions that were settled before the Transition Date; and,
- Deemed cost exemption for property, plant and equipment prior to the date of transition; and,

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after January 1, 2010.

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company:

IFRS 9, Financial Instruments (IFRS 9), IFRS 10, Consolidated Financial Statements (IFRS 10), IFRS 11, Joint Arrangements (IFRS 11), IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), IAS 27, Separate Financial Statements (IAS 27), IFRS 13, Fair Value Measurement (IFRS 13) and amended IAS 28, Investments in Associates and Joint Ventures (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

#### IFRS 9 Financial Instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income.

#### IFRS 10 Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC 12 Consolidation-Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

#### IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC 13, Jointly Controlled Entities-Non monetary Contributions by venturers.

#### IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles, and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

#### IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

#### Additional Information

Additional information about the Company can be found on [www.sedar.com](http://www.sedar.com).



## **List of Directors and Officers**

Jason Birmingham	Director, President, CEO and Secretary
Balraj Mann	Director, Chief Financial Officer
David Toyoda	Director
Wayne Yuen	Director