PLANET EXPLORATION INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED DECEMBER 31, 2010

February 25, 2011

Management's Discussion and Analysis

The following discussion and analysis is a review of operations, current financial position and outlook for Planet Exploration Inc. ("Planet" or the "Company") and should be read in conjunction with the unaudited quarterly financial statements for the three and nine month periods ended December 31, 2010, the audited financial statements for the year ended March 31, 2010 and management's discussion and analysis for the year ended March 31, 2010. The financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada.

Forward Looking Information

Statements in this document which contain "forward-looking information" within the meaning of applicable Canadian securities rules can be found under the headings "Financial Condition", "Financial Risk", and "Future Accounting Pronouncements". All statements other than statements of historical fact may constitute forward looking information. In particular, forward looking information includes material assumptions regarding the Company's capital requirements, future exploration program and the effect IFRS is expected to have on the financial statements. The forward-looking information is based on those assumptions as noted in each section, which are based, in turn, on the information available to management as at the date of this document. The reader is cautioned that material assumptions used in the preparation of such information may prove to be incorrect and should carefully consider the assumptions presented, even though at present, such assumptions are believed to be reasonable. Also, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. Additional information regarding some of these risk factors may be found under "Risk Factors". The reader is cautioned not to place undue reliance on this forward-looking information. Except as required by securities laws, Planet assumes no obligation to update the forward looking information contained herein.

Company Profile

Planet is a junior mineral exploration company that is listed under the symbol "PXI" on the TSX Venture Exchange.

Abbreviations

Au – gold
g/t – grams per tonne
m – metres
oz – ounces

Outlook

The Company's main exploration focus remains the Red Lake, Ontario (Sidace Lake) property as described elsewhere in this MD&A. Management is also actively pursuing and investigating other opportunities to increase shareholder value including possible corporate transactions and acquisition opportunities in the natural resources industry.

Property Update

Red Lake, Ontario (Sidace Lake)

Location and Ownership

Planet's primary property comprises of 63 unpatented contiguous mining claims covering an area of 12,224 ha, located 25 km northeast of Balmertown, Red Lake Mining Division, Ontario. The property is owned by Planet as to 40% and Goldcorp Red Lake Gold Mines, an affiliate of Goldcorp Inc. ("Goldcorp") as to 60% under the terms of a joint venture. The Sidace Lake property is subject to a 1% Net Smelter Royalty.

Brief History

Since 1998, when Planet first took an interest in the property, 246 diamond drill holes, totalling 90,142 metres of NQ core have been drilled on the Sidace lake joint venture, including 16 holes abandoned for logistical reasons, 17 sidetrack wedges and 7 extensions to previously drilled holes.

Calendar year	holes	Metres
1998	6	828
1999	11	2,638
2002	21	3,875
2003	16	7,475
2004	29	15,506
2005	43	12,576
2006	39	12,114
2007	40	16,170
2008	32	14,476
2009	9	4,484
2010	0	0
Totals	**246**	**90,142**

Systematic exploratory diamond drilling within a 1,500 ha central corridor on these claims has identified the Main Discovery Zone ("MDZ"), Upper Duck Zone ("UDZ"), West Duck 77, Deep Footwall, Skarn and the Anderson Zones as areas of high potential. The above table shows progressive drilling over the years on the property. Most efforts have concentrated on delineation and evaluation of the MDZ and UDZ.

On April 14, 2009, Planet announced a National Instrument 43-101 ("NI 43-101") compliant independent Technical Review of the Sidace Lake Gold Property, including a Mineral Resource Estimate on the 2 most advanced prospects on the claims, the Main Discovery and Upper Duck Zones, Red Lake Mining Division, Northwestern Ontario. The Technical Report was produced by Watts, Griffis and McQuat Limited ("WGM"), a geological engineering firm based in Toronto, Ontario. The Technical Report demonstrates:

- the Sidace Lake Property is host to several significant gold deposits;
- two of these deposits (MDZ and UDZ) are in an advanced stage of exploration; and
- the Mineral Resources on the MDZ and UDZ are substantial.

TABLE OF MINERAL RESOURCE ESTIMATES FOR THE MDZ AND UDZ DEPOSITS
SHOWING SENSITIVITY TO CUT-OFF GRADE

Cut-off	Indicated Resource			Inferred Resource		
Grade gm Au/t	Mass tonnes*	Grade gm Au/t	Content Au oz*	Mass tonnes*	Grade gm Au/t	Content Au oz*
MDZ						
0.50	1,601,400	2.41	124,300	3,093,500	2.10	208,600
1.00	1,401,300	2.65	119,300	2,437,000	2.46	192,400
1.50	1,119,500	3.00	107,900	1,677,200	3.01	162,500
2.00	815,500	3.46	90,800	1,152,900	3.59	133,000
2.50	551,300	4.05	71,900	816,600	4.15	108,900
3.00	376,200	4.67	56,500	558,800	4.80	86,200
UDZ						
0.50	413,000	2.92	38,700	616,700	3.19	63,300
1.00	337,100	3.40	36,900	557,700	3.44	61,700
1.50	247,600	4.19	33,300	425,800	4.11	56,300
2.00	162,800	5.46	28,600	308,600	5.01	49,700
2.50	117,800	6.70	25,400	236,000	5.87	44,600
3.00	94,900	7.66	23,400	179,600	6.86	39,600
Total MDZ and UDZ						
0.50	2,014,400	2.52	163,000	3,710,200	2.28	271,900
1.00	1,738,300	2.80	156,200	2,994,700	2.64	254,100
1.50	1,367,200	3.21	141,300	2,103,100	3.24	218,800
2.00	978,300	3.80	119,400	1,461,500	3.89	182,800
2.50	669,100	4.52	97,300	1,052,600	4.53	153,500
3.00	471,100	5.27	79,900	738,400	5.30	125,800

* All tonnage and total oz Au figures rounded to nearest hundred. Totals may not add up due to rounding.

- The estimates were prepared from two separate block models, each using a 1.5 g Au/t cut-off grade and a 35 g Au/t high grade cap, based on a gold price of US$800/oz and a US$:C$ exchange rate of 1:1.2.
- These resources are open at depth and in the case of the MDZ, laterally towards the northeast and southwest. The UDZ is cut off by dykes to the northeast and by a fault to the southwest. Previous drilling (RL-05-77, RL05-105) picked up gold mineralization in iron formation to the west of the fault.

Work done during the quarter ended December 31, 2010

Goldcorp, who is the operator of the property, did not propose any exploration program for the quarter ended December 31, 2010 and accordingly the Company did not carry out any drilling during the quarter.

Over the past year, management has been actively investigating options to consolidate or increase Planet's interest in the property and to further drill in order to expand the known resources at the MDZ and UDZ and to further explore the several known high-potential prospects on the property. As Goldcorp is the operator and the majority interest owner in the property, our ability to pursue these options is restricted by and dependent upon receiving their support. The Operator has not proposed a current exploration program and accordingly, Planet is evaluating its options with respect to advancing the property and advancing its business in general.

Main Discovery Zone

The mineralization on the MDZ down to 450m, where we have drilled with some intensity, is now well understood. Probes to 950m below surface show continuing strong mineralization and gold values. This body is largely stratabound in a quartz-sericite schist in which pervasive gold values in a thick envelope are associated with disseminated arsenopyrite, commonly with realgar, orpiment, stibnite and pyrite, some molybdenite and abundant quartz veinlets. There is a barren silica flood zone to the immediate north and east of this envelope that appears to define one wall of the mineralized body. Within the envelope of gold values five higher grade shoots have been identified, but the higher grade gold mineralization is not entirely constrained by either the original lithology, nor by the overprinted metamorphic fabric and facies.

The MDZ is complex, shaped like a distorted open 'Z' which tightens with depth. The upper bar of the 'Z' is the North limb: the diagonal and lower bars comprise the Main limb, which is concave to the east. To the immediate west of this 'Z' are three lesser bodies, two concentric with the Main limb (Hangingwall #1 and #2), and a third (Axial) that bisects the acute angle between the North and Main limbs. The North and Axial limbs dip at steeply ($>75^o$) northwest. The Main Limb and its parallels dip vertically, or at very steep angles ($>80^o$) to the west, locally reversing to the east. The entire fold system plunges very steeply north.

The current known strike of the MDZ is over 500m. All 5 of the constituent bodies of the MDZ are open to depth.

Upper Duck Zone

The Upper Duck Zone, 1,200m to the southwest of the MDZ, is an entirely separate and different feature, which was originally a silicate-sulphide facies banded iron formation, that is now garnetiferous and rich in magnetite and commonly shows minute specks of visible gold in pyrite-pyrrhotite-arsenopyrite bands. The zone strikes roughly 50^o, dipping steeply (65^o) to the northwest in mafic to intermediate volcanics. At least 3 sub-parallel tabular bodies in close proximity comprise the UDZ. These appear to be fold repetitions of the same iron formation, doubling back on itself in a tight 'Z'. Strike length ignoring the possibility of repetition by folding is about 175m and this feature is open at depth. To the east, it is disrupted by intrusion of a porphyry stock and eventually cut off by gabbro. To the west, the feature is interrupted by faulting. The gold mineralization is constrained by neither lithology nor stratigraphy, with some higher values occurring in feldspar porphyry, in close proximity to iron formation, generally associated with the same characteristic arsenopyrite. Some interference by intrusive porphyritic felsic dykes complicates what is otherwise a relatively simple body which has returned good and fairly consistent gold values.

Other prospects within the claims area

The MDZ and UDZ deposits, on which the Mineral Resources have been estimated, are confined within an area of 170 hectares. Exploratory drilling by the Joint Venture has covered less than 25% of the claims area, and almost all within a central corridor of only 1,500 hectares of the more than 12,000 hectares that comprise the claims of the joint venture. In addition to the MDZ and UDZ, 4 other prospects have been identified in other drilling:

<u>Skarn Zone</u>

The Skarn Zone comprises several disseminated pyrite-pyrrhotite-arsenopyrite rich epidote-garnet carbonate-quartz skarn veins in sheared mafic volcanics. Occasional fine flecks of gold are visible in the veins. The known strike of this mineralization is over 400m roughly north-south with a steep westernly dip. Several iron formations within the Skarn Zone also carry gold values. The Skarn Zone is very different from both the MDZ and UDZ, and lies 1,500m southwest of MDZ. It has a strike of at least 400 m, open in all directions.

Anderson Zones

Of the 20 holes drilled around Anderson Lake in 2005, 16 were completed with encouraging values in 7 of these holes. Follow up work was done early 2008, deepening 3 holes, and one deep hole was drilled during the year ended 2010-03-31. These 16 successful holes drilled under and around Anderson Lake have outlined 4 zones of potential.

Deep Footwall Zone

The zone is a distinct, essentially tabular body that lies well beneath the MDZ, and has been intersected in 10 holes which cover a 550m southwesternly strike, open west and at depth. Values of more than 10g/t over 1.00m occur in 3 of these intersects and in excess of 5g/t over 1.00m in another 4 intersects. Gold values are associated with wispy green mica, minor stibnite and traces of stubby arsenopyrite. Hole SD-04-01, collared in 2004 from the neighbouring Rubicon claim, intersected this Deep Footwall Zone on our claim at almost exactly 1,000m below surface.

West Duck 77

Located 300m southwest of the western fault cut-off of the UDZ and discovered in 2005 in hole RL05-77, the zone has returned values in 6 of the 9 holes drilled on it to date. The intersections in RL05-77 (37.08g/t over 1.30m) and RL08-182 (17.07g/t over 3.00m) are particularly noteworthy. There is considerable faulting in many of these holes and additional drilling may be considered in the future.

Additional targets and occurrences

The 4.5km strike between the MDZ and the very similarly hosted Far West occurrence has not yet been adequately explored. The Company has also identified the following areas of interest within the 1,500ha exploration corridor:

West Duck 84

Located 500m southwest of West Duck 77, this was intersected in one isolated hole, RL-05-84, and these intersections have not been followed up. The nearest offset hole, RL05-94, was drilled approximately 100m away. The more significant assays in hole RL05-84 includes 3.93g/t over 2.00m. A closer pattern of evaluation drilling is required before this occurrence can be fully understood.

Geophysical target #2

1,000 metres east of the MDZ, Geophysical Target #2 has an apparently similar lithology and structure to the MDZ and may be considered under a future drilling program.

Far West target

This is a very significant occurrence that has similar lithology and stratigraphic position to MDZ, and lies at least 4,500m west of it. A single hole (RL04-46) drilled in 2004 showed 2.5g/t Au over 3.85m in bleached ultramafic immediately beneath quartz-sericite schist, but all further drilling in the area was plagued by difficulties in penetrating deep glacial overburden and the 3 attempts were abandoned without successfully going beyond the casing stage.

Work Carried Out During the Quarter Ended December 31, 2010

Goldcorp, who is the operator of the property, did not propose any exploration program for the quarter ended December 31, 2010 and accordingly the Company did not carry out any drilling during the quarter.

Qualified Personnel

All field work, drilling supervision and core logging and sampling is conducted by the geological staff of Goldcorp. Dr Adrian G Mann, P. Geol., was the Qualified Person for Planet until his resignation in October 2010. The Qualified Person for Planet as defined by National Instrument 43-101 is now Chris Taylor, M. Sc. P. Geo.

Financial Condition

In September 2010, the Company closed a private placement consisting of 10,000,000 Units of the Company, at $0.12 per Unit, for gross proceeds of $1,200,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at any time until September 17, 2012 at an exercise price of $0.25 per share.

The Company has no debt and working capital of $5,599,355 ($4,413,779 as at March 31, 2010). The Company utilizes this working capital for expenditures on exploration and general and administrative expenses. The Company is however, dependent upon the completion of future financing or the development of strategic partnerships should commercial production from the Sidace Lake property become a viable option in the future, or if the Company identifies new opportunities or acquisitions which exceed current working capital. Please see the "Risk Factors" section for further details.

Financing

In September 2010, the Company closed a private placement as described above under "Financial Condition". During the 9 months ended December 31, 2010, 800,000 options (2009 – nil) were exercised for aggregate proceeds of $136,000 (2009 - $nil).

Selected Financial Information

	3 Months Ended December 31, 2010 $	**3 Months Ended December 31, 2009 $**	**% Change**	**9 Months Ended December 31, 2010 $**	**9 Months Ended December 31, 2009 $**	**% Change**
Interest Revenue	15,162	4,028	276	29,618	14,771	101
General and Administrative expenses	32,406	106,976	(70)	175,775	302,289	(42)
Stock Based Compensation	331,179	5,785	N/A	342,528	18,306	NA
Loss before income Taxes	(348,423)	(108,733)	220	(489,685)	(305,928)	60

	3 Months Ended December 31, 2010 $	3 Months Ended December 31, 2009 $	% Change	9 Months Ended December 31, 2010 $	9 Months Ended December 31, 2009 $	% Change
Net loss and comprehensive loss	(348,423)	(108,733)	220	(489,685)	(305,902)	60
Loss per share – Basic	(0.01)	(0.00)	100	(0.02)	(0.01)	100

Balance sheet as at		**December 31, 2010**	**March 31, 2010**	**% Change**
Working capital	$	5,599,355	4,413,779	27
Mineral properties	$	6,361,641	6,361,641	-
Total assets	$	12,070,328	10,874,433	11
Shareholders' equity	$	11,473,472	10,288,896	12
Weighted average number of shares Basic and diluted		29,208,645	25,319,190	15

Discussion of Financial Results for the Quarter ended December 31, 2010 compared with the Quarter ended December 31, 2009

Interest Revenue

The Company`s only source of income is interest revenue. Interest revenue was $15,162 for the quarter ended December 31, 2010 compared to $4,028 in the quarter ended December 31, 30, 2009. Average deposits for the quarter ended December 31, 2010 approximated $5,450,000 compared to $4,575,000 in the comparative period. The average interest rate received was approximately 1.11% in the three months ended December 31, 2010 compared to 0.35% in the comparative period.

General and Administrative Expenses

General and administrative expenses for the quarter ended December 31, 2010 were $32,406, compared to $106,976 for the quarter ended December 31, 2009. The particular level of exploration activity has a direct effect on the level of general and administrative costs. Gains and losses from adjusting marketable securities to fair value are included in general and administrative costs. The comparative period included a monthly consulting contract which was terminated in January, 2010. The Company stopped payment of directors' fees as of the end of August, 2010. The combined savings from the elimination of directors' fees and the above referenced monthly contracts is approximately $25,000 per month.

Cash Flow

Planet had a $1,214 cash inflow from operations in the quarter ended December 31, 2010, compared to $100,030 used for the quarter ended December 31, 2009. Aside from the above mentioned consulting and director fees, as well as the timing of payment of certain expenditures in the prior period, there are no discernable trends in the cash flow from operations of the Company.

Property Expenditures

The Company incurred expenditures on its active mineral property as follows:

Property	Quarter ended December 31, 2010 $	Quarter ended December 31, 2009 $	% change
Red Lake, Ontario (Sidace Lake)	-	26,792	(100.0)

Goldcorp, who is the operator of the property, did not propose any exploration program for the quarter ended December 31, 2010 and accordingly the Company did not carry out any drilling during the quarter (2009 – no new drilling).

Related Party Transactions

For the three months ended December 31, 2010, the Company incurred $nil (2009 - $20,000) in director's fees from Ranjeet Sundher, a former officer and director of the Company. The comparative fees have been included in general and administrative expenses. Mr. Sundher resigned in November 2010.

For the three months ended December 31, 2010, the Company incurred $nil (2009 - $20,000) in director's fees from Darold H. Parken, a director of the Company. The comparative fees fees have been included in general and administrative expenses.

For the three months ended December 31, 2010, the Company incurred $nil (2009 - $26,000) in director's fees from Salim Jivraj, a director of the Company. The comparative fees have been included in general and administrative expenses.

For the three months ended December 31, 2010, the Company incurred $nil (2009 - $18,060) in geological consulting fees from a company in which Adrian Mann, a former officer and director of the Company, is the principal shareholder. $15,060 of the fees incurred in the comparative period were capitalized to mineral properties with the remainder being included in general and administrative expenses. Mr. Mann resigned in October 2010.

For the three months ended December 31, 2010, the Company incurred $14,000 (2009 - $nil) in management consulting fees from a company controlled by Tony Ricci, a director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of $3,500 including an amount for September 2011 which was not previously accrued.

These related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Summary of Quarterly Results

	Third Quarter Ended Dec. 31, 2010 $	Second Quarter Ended Sept. 30, 2010 $	First Quarter Ended Jun. 30, 2010 $	Fourth Quarter Ended Mar. 31, 2010 $	Third Quarter Ended Dec. 31, 2009 $	Second Quarter Ended Sept. 30, 2009 $	First Quarter Ended Jun. 30, 2009 $	Fourth Quarter Ended Mar. 31, 2009 $
General & Admin (including amortization)	32,406	68,832	75,537	94,595	106,976	92,912	102,505	143,192
Net and Comprehensive Income (loss)	(348,423)	(64,927)	(76,335)	15,857	(108,733)	(94,246)	(102,923)	(110,994)
Net and Comprehensive Income (loss) per share	(0.01)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.01)
Working Capital	5,599,355	5,514,599	4,344,228	4,413,779	4,481,443	4,611,183	4,919,705	5,111,265

Planet's only source of income is interest revenues. The Company utilizes its working capital for expenditures on exploration and general and administrative expenses. The Company increased its working capital as a result of the financing in September 2010 and the exercise of options.

The quarter ended March 31, 2010 includes an income tax recovery of $112,496 relating to proposed amendments to prior period tax returns, resulting in net and comprehensive income of $15,857 for the quarter. Excluding this item, net loss would be $96,639 or $0.003 per share, in line with the quarterly trend.

The quarter ended September 30, 2010 includes reduced general and administrative expenses as a result of the cessation of certain contracts and directors' fees. The combined savings amounted to approximately $25,000.

For the quarter ended December 31, 2010 the Company incurred stock based compensation expense of $331,179 as a result of the granting of stock options which vested immediately and the vesting period of options previously granted. In addition, the cessation of fees in August continued to have a positive impact on the expenses of the Company.

Discussion of Financial Results for the nine months ended December 31, 2010 compared with the nine months ended December 31, 2009

Interest Revenue

The Company`s only source of income is interest revenue. Interest revenue was $29,618 for the nine months ended December 31, 2010 compared to $14,771 in the nine months ended December 31, 2009. This increase is mainly due to increased interest rates. Average deposits for the nine months ended September 30, 2010 approximated $4,839,000 compared to $4,833,000 in the comparative period. The average interest rate received was approximately 0.82% in the nine months ended September 30, 2010 compared to 0.40% in the comparative period.

General and Administrative Expenses

General and administrative expenses for the nine months ended December 31, 2010 were $175,775, compared to $302,289 for the nine months ended December 31, 2009. The particular level of exploration activity has a direct effect on the level of general and administrative costs. Gains and losses from adjusting marketable securities to fair value are included in general and administrative costs. The comparative period included a monthly consulting contract which was terminated in January, 2010. The Company stopped payment of directors' fees as of the end of August, 2010. The combined savings from the elimination of directors' fees and the above referenced monthly contracts is approximately $25,000 per month.

Cash Flow

Planet used $129,445 in cash from operations in the nine months ended December 31, 2010, compared to $260,623 for the nine months ended December 31, 2009. The primary reason for the decrease in cash outflows is the cancellation of certain payments as noted above in "General and Administrative Expenses".

Property Expenditures

The Company incurred expenditures on its active mineral property as follows:

Property	Nine months ended December 30, 2010 $	Nine months ended December 31, 2009 $	% change
Red Lake, Ontario (Sidace Lake)	-	342,304	(100.0)

Goldcorp, who is the operator of the property, did not propose any exploration program for the nine month period ended December 31, 2010 and accordingly the Company did not carry out any drilling during the quarter (2009 – 4,484m were drilled in 8 new holes and 1 extension).

Related Party Transactions

For the nine months ended December 31, 2010, the Company incurred $25,000 (2009 - $50,000) in director's fees from Ranjeet Sundher, a former officer and director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of $5,000 until August 31, 2010. Mr. Sundher resigned in November 2010.

For the nine months ended December 31, 2010, the Company incurred $25,000 (2009 - $50,000) in director's fees from Darold H. Parken, a director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of $5,000 until August 31, 2010.

For the nine months ended December 31, 2010, the Company incurred $35,000 (2009 - $68,000) in director's fees from Salim Jivraj, a director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of $7,000 until August 31, 2010.

For the nine months ended December 31, 2010, the Company incurred $nil (2009 - $48,540) in geological consulting fees from a company in which Adrian Mann, a former officer and director of the Company, is the principal shareholder. $45,540 of the fees incurred in the comparative period were capitalized to mineral properties with the remainder being included in general and administrative expenses Mr. Mann resigned in October 2010.

For the nine months ended December 31, 2010, the Company incurred $14,000 (2009 - $nil) in management consulting fees from a company controlled by Tony Ricci, a director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of $3,500 beginning in September 2011.

These related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Board Appointments and resignation

The Company announced the following changes on its Board of Directors:

Appointment of Mr. Tony M. Ricci, September 27, 2010.
Appointment of Mr. Patrick McAndless, October 28, 2010.
Appointment of Mr. Chris Taylor, November 11, 2010
Resignation of Dr. Adrian Mann, October 28, 2010.
Resignation of Mr. Ranjeet Sundher, November 11, 2010

Stock Options

During the nine months ended December 31, 2010, 1,550,000 options were granted to certain directors and officers of the Company (2009 – nil).

During the nine months ended December 31, 2010, 800,000 options with a unit price of $0.17 each were exercised. In addition, 170,000 options with a weighted average of $0.36 expired unexercised and 935,000 vested options with a weighted average exercise price of $0.37 were cancelled.

Off-balance Sheet Arrangements

As at December 31, 2010 as well as the date of this report, Planet does not have any off-balance sheet arrangements.

Capital Management

The Company's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to meet ongoing exploration and operating costs.
- To invest cash in hand in highly liquid and highly rated financial instruments.

The Company defines its capital as shareholders' equity, which includes cash and cash equivalents and marketable securities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may pay dividends, return capital to shareholders or issue new shares. The Company currently has no externally imposed capital requirements. Recent economic conditions have not significantly affected Planet's objectives, policies or processes for managing its capital.

Subsequent Events

On February 15, 2011, the Company entered into an option agreement with Tilava Mining Corporation (Tilava), a private company to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon gold and copper project located 80 kilometers north of Kamloops, British Columbia. The

Company will pay $45,000 and issue 300,000 common shares to Tilava upon receipt of applicable regulatory approvals.

Critical Accounting Estimates

Mining Interests

The Company prepares its Financial Statements in conformity with Generally Accepted Accounting Principles ("GAAP") in Canada. The Company lists its significant accounting policies in Note 2 to its annual Financial Statements, of which the Company has identified the following accounting policies, which are believed to be the most critical in fully understanding and evaluating the reported financial results.

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and exploration costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

Management reviews capitalized costs on its mineral properties on a periodic basis and recognizes impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable operations from the property or sale of the property.

Future Tax Assets and Liabilities

The Company recognizes the future tax benefit related to future income tax assets and sets up a valuation allowance against any portion of those assets that it believes is not likely to be realized. Assessing the recoverability of future income tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. In circumstances where the applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates could occur that materially affect the amount of future income tax assets and liabilities recorded at the balance sheet date.

Risk Factors

There can be no assurance that commercial quantities of valuable minerals will be recovered by Planet in the future. Mining exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Company will result in new discoveries of mineral deposits in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions and changes in drilling plans and locations as a result of prior exploratory holes or additional seismic data and interpretations thereof. The Company currently has focused its efforts on its property in Red Lake, Ontario. Exploration projects are reviewed at a very early stage for all aspects including: corporate fit, environmental issues, timing, costs and reward potential. Identified risks are addressed and excessive risks are mitigated, to the extent possible, before any project is approved. Management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards and their past practices. The long term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce valuable minerals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation.

Interest rate risk

Planet's only source of income is interest revenues. The Company utilizes its working capital for expenditures on exploration and general and administrative expenses. As cash has been spent the amounts placed in higher interest earning deposits have declined. In addition, average interest rates have trended significantly lower over the previous eight quarters resulting in decreasing interest revenues. As at December 31, 2010 a 1% change in interest rates would affect the revenue derived from cash and cash equivalents by approximately $57,000 on an annual basis.

Financial risk and Capital Markets Uncertainty

Planet's business plan has been to grow through exploration of mineral resources. Planet's principal risks, as an exploration company, are that it must find and develop economic mineral resources and be able to fund the associated capital expenditures. Planet relies on equity financing. If any components of the business plan should be missing the Company may not be able to continue executing the entire business plan.

The unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions. As a result, certain companies have had and may continue to have, limited access to capital and credit. These disruptions could, among other things, make it more difficult for Planet to obtain, or increase its cost of obtaining capital and financing for its operations.

Mineral property risk

Acquisition and exploration costs of mineral property interests are capitalized and deferred until such time as the property is put into production, the property is disposed of either through sale or abandonment or the property is considered uneconomic in the foreseeable future. If put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property or option proceeds with respect to undeveloped properties are credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned or considered uneconomic in the foreseeable future, the acquisition and deferred exploration costs are written off to operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements. Management reviews capitalized costs on its mineral properties on a periodic basis and recognizes impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable operations from the property or sale of the property.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities issued by the Company.

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	36,119,190 Common Shares
Securities convertible or exercisable into voting or equity securities and stock options	Stock Options to acquire up to 10% of the outstanding Common Shares at various exercise prices ranging between \$0.17 and \$0.40 per Common Share	1,952,500 Stock Options
Voting or equity securities issuable on conversion or exchange of outstanding securities – Warrants	Warrants to acquire Common Shares at an exercise price of \$0.25 per Common Share	10,000,000 Warrants

Future Accounting Pronouncements

<u>Business combinations, consolidated financial statements and non-controlling interest</u>
In January, 2009, the CICA issued new Handbook Section 1582, "Business Combinations", 1601, "Consolidations", and Section 1602, "Non-controlling Interests". These three sections replace Handbook Section 1581, "Business Combinations" and Section 1600, "Consolidated Financial Statements" and establish a new section for accounting for a non-controlling interest in a subsidiary.

Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value on the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3, "Business Combinations" (January, 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011.

Section 1601 establishes standards for the preparation of consolidated financial statements.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to IAS 27, "Consolidated and Separate Financial Statements" (January, 2008).

Handbook Sections 1601 and 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. Management is of the opinion that there will be no material impact on the Company resulting from the adoption of these new Sections on its financial statements.

<u>International Financial Reporting Standards</u>
A strategic plan has been adopted by the Accounting Standards Board for the future direction of accounting standards in Canada. It is expected that Canadian accounting standards for public companies will converge with International Financial Reporting Standards ("IFRS"). As the implementation date required by the Canadian Institute of Chartered Accountants is currently set for periods beginning on or after January 1, 2011, Planet is currently expecting to adopt IFRS beginning April

1, 2011. The Company will present its results for fiscal 2010 using contemporary Canadian GAAP. In 2011, the Company will present its comparative results for fiscal 2010 using contemporary IFRS. To accomplish this, in fiscal 2010 the Company will effectively maintain two parallel sets of financial statements. Planet is continuing to assess IFRS and its impact on the financial statements, but assumes this evaluation will have no impact on the expected adoption date.

The changeover to IFRS represents a significant change in accounting standards and the transition from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect the Company's reported financial position and reported results of operations.

Since the last MD&A report issued in November, Management has been primarily focused on the strategic direction of the Company. Management has completed its review of the accounting policy choices available under IFRS. Management is final stages of determining which policies choices it will elect to adopt and is working with the Company's external auditors and board of directors to have these policies reviewed and approved. The Corporation has reviewed IFRS 1 – First Time Adoption of International Financial Reporting Standards.

The Company is reviewing and identifying the optional exemptions that it expects to apply in its preparation of an opening IFRS statement of financial position as at April 1, 2010, the Company's "Transition date".

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy without using hindsight. As of the date of this report, management believes that no exceptions under IFRS 1 apply to the Corporation. However, circumstances may change, which would require management to revisit this section of the IFRS Handbook.

The key elements of the IFRS changeover plan are as follows:

<u>Accounting policies</u>

The Company is in the final stages of determining which accounting policies it will choose. While not approved, management expects to adopt a set of policies including the following items:

Exploration and Evaluation Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties.

The Company expects to establish an accounting policy to capitalize, as incurred, all costs incurred subsequent to obtaining the rights to explore for mineral deposits on a property until such time as it has been determined that the property has economically recoverable reserves. All costs incurred prior to obtaining such rights, known as pre-exploration costs, will be expensed as incurred. The application of this policy on the adoption of IFRS is not expected to have significant impact on the Company's financial statements.

Impairment of (Non-financial) Assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact on the carrying value of its assets. The Company will perform impairment assessments in accordance with IFRS at the transition date.

Income Taxes

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes. Should a change occur in the carrying values of the assets and liabilities of the Company, the future income tax liability will be recalculated to reflect these differences.

Information technology and data systems

The Company has reviewed its information technology and data systems. At this time, the changeover to IFRS is not expected to have a significant impact on these systems.

Internal control over financial reporting

As the Company is still finalizing its accounting policies, it has not completed a detailed review regarding the internal control over financial reporting. At this time, management does not expect any significant changes to the internal controls as a result of the adoption of IFRS.

Disclosure controls and procedures

This review will be completed in conjunction with the internal control over financial reporting. Management will continue to ensure that individuals responsible for the disclosure are provided with the appropriate education and training. At this time, management does not expect any significant changes to the controls as a result of the adoption of IFRS.

Financial Reporting Expertise

The Company has utilized the services of a contract chartered accountant, who has previous experience with the Company, in addition to utilizing the expertise present on the board of directors and the insights provided by the Company's auditors to assist in the IFRS changeover.

Business Activities

The Company is not expecting a change in activities as a result of the IFRS changeover.

Continuing the IFRS Transition Plan

The remaining conversion work continues in anticipation of the preparation of the April 1, 2010 balance sheet as well as quarterly financial statements that will be required for comparative purposes for all periods ending in fiscal 2011. While management is unable at this time to quantify the changes to the opening balance sheet for the fiscal 2010 year under IFRS, it is not believed at this time that such changes will result in a significant change in the carrying values of any assets or liabilities, nor do we believe there will be a significant change in the equity of the Company as a result of the adoption of IFRS.

Management is expected to finalize its accounting policies and obtain board approval over the next several weeks. However the final opening balance sheet is not expected until the late spring or early summer of 2011.

The Company will also continue to monitor standards development as issued by the IASB and the AcSB as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of its adoption of IFRS.