PLANET EXPLORATION INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2011

Dated July 27, 2011

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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 audited financial statements for the year ended March 31, 2011. 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.

OUTLOOK

The Company is a junior mineral exploration company that is listed under the symbol "PXI" on the TSX Venture Exchange. To date, the Company has not earned any revenue from its mineral property interests and is considered to be in the exploration stage.

Board Appointments and Resignation

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

Appointment of Mr. Tony M. Ricci, September 22, 2010;
Appointment of Mr. Patrick McAndless, October 21, 2010;
Appointment of Mr. Chris Taylor, November 8, 2010;
Resignation of Dr. Adrian Mann, October 21, 2010;
Resignation of Mr. Ranjeet Sundher, November 8, 2010; and
Resignation of Mr. Salim Jivraj, June 9, 2011.

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

MINERAL PROPERTIES

The Red Lake, Ontario (Sidace Lake) project

Location and Ownership

The Red Lake project 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.

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 of 6 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:

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

Cut-off	Indicated Resource			Inferred Resource		
Grade	Mass	Grade	Content	Mass	Grade	Content
gm Au/t	tonnes*	gm Au/t	Au oz*	tonnes*	gm Au/t	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.

The Golden Loon project, British Columbia

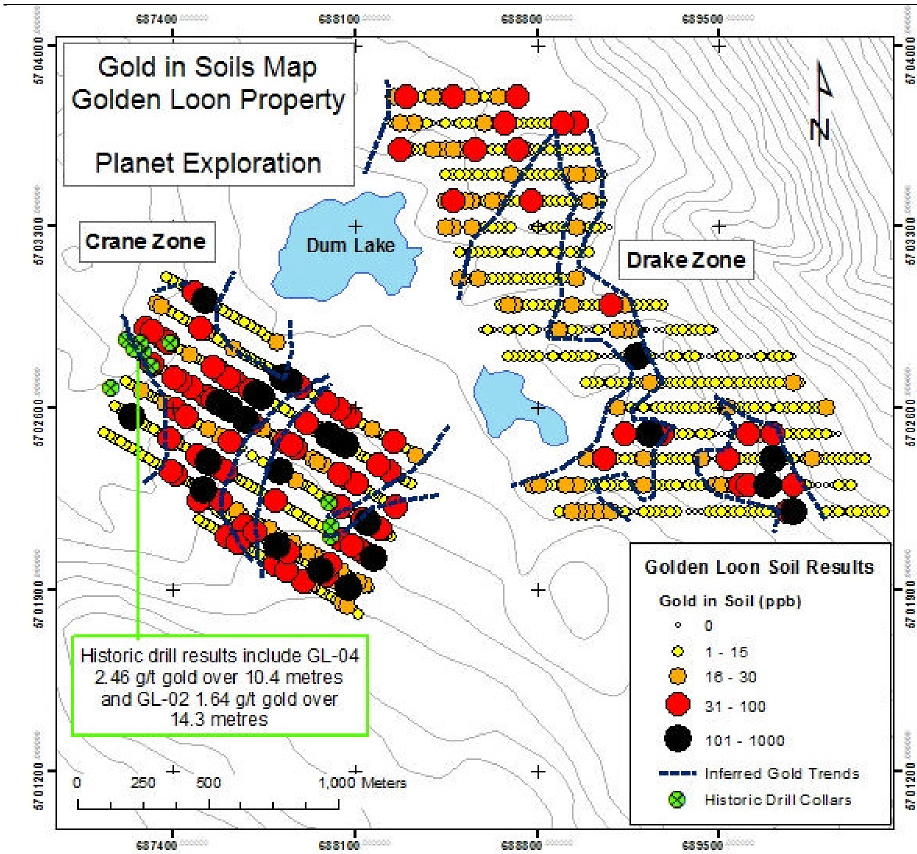
On February 15, 2011, the Company signed an option agreement with Tilava Mining Corporation, a private company, to acquire an initial 70% interest, which can be increased to 100%, in Tilava's Golden Loon gold and copper project located 80 kilometres north of Kamloops, British Columbia. For details of the agreement refer to the audited financial statements for the year ended March 31, 2011.

The Property comprises 15 mineral claims with a total area of 1,983 hectares, located eight kilometres west of the town of Little Fort, British Columbia, and is road accessible. The Property hosts two multi-kilometre gold and copper in soil and bedrock anomalies with positive preliminary drill results, and is underlain by a highly developed network of silicified and frequently gold-mineralized structures that have extensively altered the country rocks.

In April 2011 the Company announced the discovery of widespread elevated gold within a 2000+ metre long soil anomaly at the Golden Loon property. This discovery doubles the area of previously reported gold-in-soils and suggests that a broad, widely gold mineralized structural network underlies the property.

<u>Discovery of Gold at Drake Target Doubles Footprint of Gold System</u>

Historic exploration defined an open-ended 2500+ metre by 1000+ metre area of largely continuous elevated copper-in-soil values east of Dum Lake, the “Drake” zone, which was never tested for precious metal content. A new series of 545 soil samples were collected from a 2,200 metre by 300 to 1,000 metre wide grid over the core of the Drake zone. **Multiple gold-in-soil targets have now been identified, with soil values returning up to 565 ppb (0.565 g/t) gold**. These define a similar northwest and northeast trending gold-in-soil pattern as has been successfully drill tested in the “Crane” zone, 1 kilometre to the southwest. The newly defined gold targets in the Drake zone are open to expansion in all directions.



In the Crane zone, gold-in-soil values overlie a strongly silicified, gold mineralized structural network. Historical reconnaissance drilling intersected multiple mineralized intervals including 2.46 g/t gold over 10.4 metres and 1.64 g/t gold over 14.3 metres in two separate drill holes. These occur within a broad generally 70 to 80 metre wide silicified and gold mineralized structure, and results approximate true mineralized thicknesses. The discovery of a similar gold-in-soil system in the Drake zone suggests that a widely mineralized structural network underlies both areas, defining a broad, greater than 2 square kilometre target that is open to expansion.

The 2011 exploration program at Golden Loon will continue with geological mapping and geochemical sampling, and ground-based geophysics and trenching to define drill targets. The Company will undertake an aggressive drill campaign on the Crane and Drake zones upon target definition.

SELECTED FINANCIAL INFORMATION

For the years ended March 31, 2011, 2010 and 2009 ($)

	2011	2010	2009
Total assets	12,222,511	10,874,433	11,951,032
Total liabilities	634,377	585,537	1,396,181
Interest income	(46,726)	(18,511)	(158,939)
Net (loss) and comprehensive (loss) for the year	(543,827)	(290,045)	(441,555)
Loss per share	(0.018)	(0.011)	(0.017)

By recent eight Quarters ($)

	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010
Interest income	17,108	15,162	9,470	4,986
Net (loss) and comprehensive (loss) for the period	(54,142)	(348,423)	(64,927)	(76,335)
Net (loss) per share	(0.001)	(0.01)	(0.002)	(0.003)

	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009
Interest income	3,740	4,028	4,450	6,293
Net (loss) and comprehensive (loss) for the period	15,857	(108,733)	(94,246)	(102,923)
Net (loss) per share	0.001	(0.004)	(0.004)	(0.004)

RESULTS OF OPERATIONS

Years ended March 31, 2011 and 2010

For the year ended March 31, 2011, operating expenses totaled $591,728, and net loss was $543,827. The Company had $422,003 in operating expenses and a net loss of $290,045 for the year ended March 31, 2010. The primary difference between the current year and the same period ended March 31, 2010 relates to the stock based compensation expense of $358,540 recorded in 2011 for 1,800,000 stock options granted. The stock based compensation in 2010 of $24,090 relates to stock options vested during the period. There were no stock options granted during the year ended March 31, 2010. The net loss was partially offset by interest income of $46,726 for the year ended March 31, 2011 compared to $18,511 in the year ended March 31, 2010. This increase is mainly due to increased interest rates during the current period.

Consulting and management fees decreased by $89,750 and $66,665 respectively from $142,000 and $154,000 incurred during the year ended March 31, 2010 to $52,250 and $87,335 incurred during the year ended March 31, 2011. The Company incurred $52,396 in professional fees in 2011 as compared to

$65,520 in 2010. The level of acquisition and exploration activity has a direct effect on the level of general and administrative costs. With decreased exploration activity in the year, certain general and administrative expenses have also decreased.

The year ended March 31, 2010 includes an income tax recovery of $112,522 relating to amendments to prior period tax returns.

During the year ended March 31, 2011, the Company incurred $155,487 in acquisition costs and $45,840 in exploration costs on the Golden Loon property. There were no costs capitalized in relation to the Red Lake property during the year. During the year ended March 31, 2010, the Company expended $319,113 on the Red Lake property.

Three months ended March 31, 2011 and 2010

For the three months ended March 31, 2011, operating expenses totaled $71,825, and net loss was $54,142. The Company had $96,504 in operating expenses and a net gain of $15,857 for the three months ended March 31, 2010. The primary difference between the three months ended March 31, 2011 and the prior period relates to the future income tax recovery of $112,496 recorded during the three months ended March 31, 2010 and related to amendments to prior period tax returns.

An increase of $10,228 in stock based compensation expense from $5,784 incurred during the three months ended March 31, 2010 to $16,012 incurred during the same period of the current year relates to 250,000 stock options granted during the three months ended March 31, 2011. The stock based compensation recorded during the three months ended March 31, 2010 relates to stock options vested during the period.

The net loss was partially offset by interest income of $17,108 for the three months ended March 31, 2011 compared to $3,740 during the three months ended March 31, 2010. This increase is mainly due to increased interest rates during the current period.

Consulting and management fees decreased by $24,750 and $8,665 respectively from $26,750 and $36,000 during the year ended March 31, 2010 to $2,000 and $27,335 during the year ended March 31, 2011 as a result of the cessation of certain contracts and directors' fees.

The Company incurred $4,868 in professional fees in 2011 as compared to $14,250 in 2010. Office expenditures increased by $7,890 during the three months ended March 31, 2011 as compared to the prior period.

During the three months ended March 31, 2011, the Company incurred $155,487 in acquisition costs and $45,840 in exploration costs on the Golden Loon property. $32,379 of the exploration expense relates to stock options granted to geological consultants. There were no costs capitalized in relation to the Red Lake property during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

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. 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.

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.

During the year ended March 31, 2011, 825,000 options (2010 – nil) were exercised for aggregate proceeds of $140,250 (2010 - $nil). During the year ended March 31, 2011, 150,000 warrants (2010 – nil) issued in private placement were exercised for gross proceeds of $37,500 (2010 - $nil).

The Company has no debt and working capital of $5,512,690 as at March 31, 2011 ($4,413,779 as at March 31, 2010). The Company utilizes this working capital for expenditures on exploration and general and administrative expenses.

RELATED PARTY TRANSACTIONS

The following summarizes the Company's related party transactions:

	2011	2010
Consulting fees paid to a former officer and director	$ 20,000	$ 65,000
Consulting fees paid to a company controlled by a person related to a director	11,250	27,000
Management fees paid to directors and officer	60,000	154,000
Management fees paid to a company with directors in common	2,835	-
Management fees paid to a company controlled by a director	24,500	-

	2011	**2010**
Geological consulting fees paid to a company controlled by a former officer and director ($47,400 of the fees incurred in 2010 were capitalized to mineral properties with the remainder included in professional fees)	-	50,400
Reimbursable expenses included in office and general paid to directors and officers	4,290	-
Reimbursable expenses included in office and general paid to a person related to a former director	2,799	-
Reimbursable expenses included in office and general paid to a company controlled by a director	2,495	-
Reimbursable expenses included in office and general paid to companies with directors in common	15,952	-
Reimbursable expenses capitalized to mineral properties paid to a company with directors in common	2,439	-

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.

Accounts receivable from an officer amounts to $8,248 (2010 - $nil). Accounts payable include a total of $13,773 (2010 – $nil) owing to related parties.

SHARE CAPITAL

Issued and outstanding common shares:

	Number of Shares	Amount
Balance, March 31, 2009	25,319,190	$ 11,341,692
Stock based compensation	-	-
Net loss for the year	-	-
Balance, March 31, 2010	25,319,190	$ 11,341,692
Shares issued for cash, net of share issue costs	10,000,000	1,185,297
Shares issued for warrants	150,000	37,500
Shares issued for stock options	825,000	221,240
Shares issued for resource property	330,000	89,100
Balance, March 31 and July 27, 2011	**36,624,190**	**$ 12,874,829**

Stock Options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

A summary of the Company's in stock option activity:

	Number of options	Exercise price per share range		Weighted average exercise price
Balance, March 31, 2009	2,327,500	$ 0.17 - $ 0.56	$	0.27
Expired	(20,000)	$ 0.56		0.56
Balance, March 31, 2010	2,307,500	$ 0.17 - $ 0.48		0.27
Granted	1,800,000	$ 0.34 - $ 0.35		0.34
Exercised	(825,000)	$ 0.17		0.17
Cancelled	(935,000)	$ 0.37 - $ 0.48		0.37
Expired	(170,000)	$ 0.17 - $ 0.38		0.36
Balance, March 31 and July 27, 2011	2,177,500	$ 0.17 - $ 0.40	$	0.31

As at July 27, 2011 the following stock options are outstanding and exercisable:

Number of common shares under option	Exercise price per common share	Weighted average remaining contractual life in years	Exercisable
7,500	$ 0.40	0.42	7,500
370,000	0.17	2.72	195,000
1,550,000	0.34	4.62	1,550,000
250,000	0.35	5.00	250,000
2,177,500	$ 0.31	4.33	2,002,500

Share purchase warrants

The following table summarizes changes in the number of warrants outstanding and exercisable:

	Number of warrants		Weighted average exercise price
Balance, March 31, 2010	-	$	-
Granted	10,000,000		0.25
Exercised	(150,000)		0.25
Balance, March 31 and July 27, 2011	9,850,000	$	0.25

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.

CRITICAL ACCOUNTING ESTIMATES

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.

Mining Interests

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.

RISKS AND UNCERTAINTIES

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 March 31, 2011 a 1% change in interest rates would affect the revenue derived from cash and cash equivalents by approximately $56,000 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.

Competition

The mining industry is intensively competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

Environmental Regulations

The current and future operations of the Company, including further exploration, development activities and commencement of production on its properties, require permits from various Provincial, Federal and State governmental authorities. Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

Environmental Impact

The Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future and anticipates that such obligations will only arise when full scale development commences. As the Company's project is still in the exploration and development stage and no significant environmental impact has occurred to date, the Company does not currently consider that expenditures required meeting any ongoing environmental obligations at the projects material to its results or to financial condition to the Company at this time. However, these costs may become material in the future and will be reported in the Company's filings at that time.

Uncertainty of Reserves and Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metal prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

Operating Hazards and Risks Associated with the Mining Industry

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for caveins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

The Ability to Manage Growth

Should the Company be successful in its efforts to develop its mineral properties or to raise capital for other mining ventures it will experience significant growth in operations. If this occurs management anticipated that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

Conflict of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Lack of Trading

The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares.

FUTURE ACCOUNTING PRONOUNCEMENTS

Business combinations, consolidated financial statements and non-controlling interest

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.

International Financial Reporting Standards

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.

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.

OFF- BALANCE SHEET TRANSACTIONS

The Company has not entered into any off-balance sheet arrangements.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company did not have significant revenues in its last three financial years.

DISCLOSURE CONTROLS AND PROCEDURES

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at March 31, 2011. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are effective in ensuring that information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at **www.sedar.com**