YALE RESOURCES LTD

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS

QUARTER ENDED April 30, 2011

Date Submitted: JUNE 29, 2011

Introduction

The following discussion and analysis, prepared as of June 20, 2011 includes information from and should be read together with the annual audited consolidated financial statements of Yale Resources Ltd. "the Company" for the years ended October 31, 2010, 2009 and 2008. The Company reports its financial position, results of operations and cash flows in accordance with Canadian generally accepted principles ("GAAP"). Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Forward Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

Description of Business

The Company's principal business activity is the acquisition and exploration of mineral properties for commercial mineral deposits and it is considered to be at the exploration stage. The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties in the financial statements are dependent on the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to discover and complete the development of those reserves and upon future profitable production. The Company trades on the TSX Venture Exchange under the symbol YLL, the Frankfurt Stock Exchange under the symbol YAB, and over the counter in the United States under the symbol YRLLF.

Performance Summary

During the period ended April 30, 2011, the Company incurred $105,418 in mineral property acquisition costs and exploration expenditures, and had exploration cost recoveries and option proceeds totalling $95,309.

As at April 30, 2011, the Company had consolidated working capital of $398,141. This is not sufficient to fund the Company's operating expenses and exploration activities in the short term, and additional funds will be raised through equity markets to provide additional financing for operating expenses and exploration activities.

Exploration Activities

On February 3, 2011, the Company announced that the first field program at the wholly owned Apache property had been completed. A total of 62 samples were taken during the program, which also included prospecting and geological mapping. Samples have been submitted to the lab and results are expected in approximately three weeks.

The Apache Property contains three areas of mineralization: the Peña Blanca, El Apache, and La Parida zones. During its first inspection of the property, the Company had only sampled the El Apache zone. The recent program has now sampled each of the three target areas following up on historic sampling by the Mexican Government that returned the following results:

Sample #	Prospect	Ag (g/t)	Au (g/t)	Cu (%)
SP-089	La Parida	59.0	0.05	0.43
SP-090	La Parida	110.0	0.13	1.92
SP-091	La Parida	401.0	0.47	4.23
SP-092	La Parida	190.0	0.11	2.28
SP-093	La Parida	130.0	0.06	3.96
SP-094	La Parida	70.0	0.13	0.72
SP-095	La Parida	192.0	0.23	1.35
SP-096	La Parida	186.0	0.13	3.11
SP-097	La Parida	64.0	0.10	0.58
SP-100	Peña Blanca	9.0	0.12	0.01
SP-101	Peña Blanca	12.0	0.02	0.03
SP-102	Peña Blanca	11.0	0.02	0.02
SP-238	El Apache	127.0	N.D.	1.34
SP-239	El Apache	91.0	N.D.	0.71
SP-240	El Apache	107.0	N.D.	1.35
SP-241	El Apache	47.0	0.16	1.39
SP-242	El Apache	131.0	0.05	4.30
SP-243	El Apache	60.0	0.04	4.50
SP-244	El Apache	64.0	0.02	3.14
SP-245	El Apache	9.0	0.01	2.75
SP-246	El Apache	59.0	0.02	2.02

****Please note** that widths of samples were not provided and the reader is cautioned that the widths of the samples reported here are unknown.

On February 15, 2011, the Company reported that field work at the Los Amoles Property continued to expand the main mineralized zone and defined a vein system that has been traced on surface for approximately 800 metres along strike. Work at Los Amoles was done by Yale on behalf of Nature's Call, who has an option to earn a 70% interest in the property.

Sampling included:

- **2.0 metres grading 0.63 g/t gold and 698.6 g/t silver**
- **6.0 metres averaging 0.33 g/t gold and 226.6 g/t silver**
    - **including 2.0 metres grading 0.63 g/t gold and 497.3 g/t silver**
- **1.0 metres grading 0.33 g/t gold and 496.8 g/t silver**
- **Dump material grading 0.24 g/t gold and 1,027.5 g/t silver**

This latest field program was designed to prospect, map and sample the southern portion of the 1.0 by 2.5 kilometre main target area (see news releases dated April 15 and May 27, 2010). This work was successful in identifying an additional 20+ historic workings and Yale personnel successfully traced mineralization on surface for approximately 800 metres along strike. Sampling at irregular intervals along the strike length has returned gold and silver values.

In addition to strong values within the veins sampling has shown that proximal to the veins the host andesitic volcanic rocks often host silver mineralization in the order of 15 to 50 grams per tonne. A table of the highlight samples is provided below:

Sample	Location	Type	Width (m)	Au (g/t)	Ag (g/t)	Pb(%)
49556-8	Working 4	Channel	6.00	0.33	**226.6**	0.06
49558	Working 4	Channel	2.00	0.63	**497.3**	0.17
49559	Working 4	Dump	N/D	0.10	**197.2**	3.23
49563+4	Drainage 2	Channel	3.00	0.51	**112.9**	0.29
49565	Drainage 3	Channel	1.40	0.12	68.4	0.31
49567	Working 6	Channel	2.00	0.63	**698.6**	0.24
49579	Workings 8,9 and 10	Dump	N/D	0.24	**1027.5**	2.30
49581	Fault in drainage	Channel	1.0	0.33	**496.8**	1.31
49584	Working 13	Dump	N/D	0.53	**304.6**	0.42
49586	Working 13	Channel	2.00	0.06	54.1	0.06
49587	Working 14	Dump	N/D	0.05	116.7	0.42
49589	Working 15	Channel	1.50	0.36	72.7	0.08
49591+2	Working 16	Channel	1.50	0.21	49.6	1.45

To date, greater than 45 historic workings and greater than 20 gold/silver veins have been identified within approximately 60% of the El Rosario target area that measures 1.0 by 2.5 kilometres. Another stage of fieldwork is planned in order to map and sample the remaining areas within the El Rosario target. This work will be done in advance of geophysics, which in turn, will be done to delineate priority locations for drilling.

On February 22, 2011, the Company reported that it signed a formal Agreement with El Condor Minerals Inc. for the option to earn a 70% interest in Yale's wholly owned Carol Property located in southern Sonora State, Mexico. Yale has received a total of $ 50,000 in cash to date.

To earn a 70 % interest in the Carol property El Condor will be required to spend $ 1,700,000 on exploration expenditures and pay Yale a total of $350,000 over four years. The exploration expenditures required in the first year is $200,000 with $100,000 being a firm commitment having to be spent within the first six months.

El Condor will be designated as the operator for the project during the length of the Agreement and as such will oversee the work on the property and designate contractors, which may include Minera Alta Vista, Yale's Mexican subsidiary.

On March 7, 2011, the Company announced it applied for, by staking, an additional land adjoining the Los Amoles Property. Work at Los Amoles is being done by Yale on behalf of Sonora Resources Corp. (previously Nature's Call), who has an option to earn a 70% interest in the property.

This new land package is 1,960 hectares (19.6 square kilometres) in size and covers extensions of the known mineralizing system to the east and south of the main target area of the property.

Reconnaissance sampling aimed at evaluating the potential continuation of the greater than 800 metres of strike extension of the mineralization identified to date returned very encouraging values of:

- 50 cm grading 0.41 g/t gold and 215.6 g/t silver, and

- 2.20 m averaging 0.39 g/t gold and 432.0 g/t silver.

To date, greater than 45 historic workings and greater than 20 silver/gold veins have been identified within approximately 60% of the El Rosario target area that measures 1.0 by 2.5 kilometres. Additional fieldwork is planned to map and sample the remaining areas within the El Rosario target. This work will be done in advance of geophysics, which in turn, will be done to delineate priority locations for drilling.

On May 5, 2011, the Company announced a geophysics program had been started on the Los Amoles Property located in central Sonora State. Work at Los Amoles is being done by Yale on behalf of Sonora Resources Ltd. (previously Nature's Call), which has an option to earn a 70% interest in the property.

The geophysics will consist of both IP and Magnetic susceptibility and cover a nine (9) square kilometer area with 28 line kilometres of grid. This area will cover the main 1.0 by 2.5 km target area that has previously been mapped and sampled as well as prospective land to the southwest that is known to contain additional historic workings.

On May 25, 2011, the Company announced that it had accelerated the purchase of 9 concessions totalling 7,714.66 hectares (or 77 square km) that make up a majority of the Orofino Project, located in central Sonora State.

"By clarifying the ownership structure for the property, Yale has assured clear title to a project where the Company has had great success to date. The Company's funds can now be directed towards exploration at Orofino rather than ongoing payments to underlying owners. Exploration can now continue at a pace that makes sense to the Company.", stated Ian Foreman, P.Geo., president of Yale.

In order to accelerate the purchase, Yale and Canmex Barite have agreed to amend the option to purchase agreement such that upon transfer of the concessions in whole with no liabilities to Yale's Mexican subsidiary Minera Alta Vista S.A. de C.V., Yale will issue the remaining 700,000 shares that were to be issued over two years.

In addition, Yale dropped the option on several interior concessions (the Olivaria Option) within the Orofino property that total 174.48 Ha (or 1.7 square km) as a majority of the exploration potential for the mineralization exposed in the historic open pits is outside of those small concessions.

However, Yale will continue with the option on two important concessions (the Pima de Oro Option) that total 264.65 Ha (or 2.65 square km). These concessions contain the El Gato target, where Teck drilled 2.27 g/t gold and 13.7 g/t silver over 15.24 metres, as well as the San Francisco and Koala targets, which were discovered by Yale.

On May 31, 2011, the Company announced that the geophysics program has finished at the Los Amoles Property located in central Sonora State and that our partner, Sonora Resources Corp. has committed to the next term of the Agreement with Yale by issuing to Yale an additional 200,000 shares in Sonora Resources (SURE-OTC). Yale now owns 400,000 shares in Sonora Resources.

The recently completed geophysics consisted of both IP and magnetic susceptibility covering a nine (9) square kilometer area with 28 line kilometres of grid. Initial results appear encouraging; however final results and report are expected in approximately two weeks.

In addition, 124 rock samples were taken from historic workings, mineralized dumps and outcrops. Samples have been submitted to Inspectorate Labs' preparation facility in Hermosillo. Results are expected in approximately three weeks.

On June 22, 2011, the Company announced that the recently completed 28 line-kilometre geophysics program at the Los Amoles Silver Property, located in central Sonora State, identified multiple potentially significant targets.

The geophysical interpretation identified eight (8) linear 500 to greater than 800 metre long features that are parallel to the trend of the known veins/structures within the property. The summary report prepared by the geophysical contractor concluded that "certain axies are representative of mineralised structures or veins whose potential has yet to be fully determined and should thus be further investigated" and recommended that three of them be drill tested.

In addition to the eight linear features, the Induced Polarization survey was successful in identifying multiple stand-alone targets. The Rosales mine occurs in the centre of a +19 mV/V chargeability high that is the middle of three such anomalies that form a corridor greater than 1.0 km in length. However, a 600 metre by 1,100 metre chargeability anomaly was identified in an area of the project that has received only limited field work to date.

Corporate Events

On February 3, 2011, the Company reported that it received gross proceeds of $562,450 from the exercise of 5,624,500 warrants at a price of $0.10 per warrant into common stock of the Company from its last private placement, which closed in three tranches. The remaining unexercised warrants have now been cancelled.

On February 9, 2011, the Company reported that it signed a Letter of Intent with El Condor Minerals Inc. (TSX-V - LCO) for the option to earn a 70 % interest in Yale's wholly owned Carol Property located in Sonora State, Mexico.

To earn a 70 % interest El Condor is required to pay Yale $ 350,000 cash and spend $ 1,700,000 on exploration over four years. The exploration expenditure required in the first year is $200,000 with $100,000 considered as a firm commitment. Yale received $25,000 upon signing of the LOI.

El Condor is designated as the operator for the project during the length of the Agreement and as such will oversee the work on the property and designate contractors, which may include Minera Alta Vista, Yale's Mexican subsidiary.

On February 22, 2011, the Company reported that it signed a formal Agreement with El Condor Minerals Inc. for the option to earn a 70% interest in Yale's wholly owned Carol Property located in southern Sonora State, Mexico. Yale has received a total of $ 50,000 in cash to date.

Results of Operations

The Company currently does not have an operating or producing mineral property. The Company has no earnings from mineral properties and therefore will finance its future exploration activities by the sale of common shares or units. Certain of the key risk factors of the Company's operating results are the following: the state of capital markets, which affects the ability of the Company to finance its exploration activities; the write-down and abandonment of mineral property interests as exploration results provide further information relating to the underlying value of such properties; and market prices for natural resources as well as the nonviability of its projects.

The Company's accounting policy as it relates to its acquisition of its mineral property interests is to defer all costs of acquiring mineral resource properties and their related exploration and development costs until the properties to which they relate are placed into production, sold or abandoned or impaired. At that time, capitalized costs are either depleted using the unit-of-production method over the estimated life of the ore-body, following the commencement of production, or written off at the time the property is sold or abandoned.

The Company is not a party to any material legal proceedings and is not in default under any material debt or other contractual obligations other than as disclosed in the financial statements. No significant revenue generating contracts or cash commitments were entered into or undertaken by the Company during the period other than as set out herein or in the financial statements of the Company.

Significant variances in the Company's operational results for the quarter ended April 30, 2011 were as follows:

i) Accounting, audit and legal fees decreased by $9,807to $25,520 from $35,327 in 2010 and reflect legal work done in respect of the Company's annual report which were not billed until February in 2010.

ii) Investor relations and promotion decreased by $33,202 to $12,911 from $46,113 in 2010 and reflect contracts that ended in 2010.

iii) Management fees increased by $6,000 to $21,000 from $15,000 in 2010 and reflect the additional work involved in managing all of the Company's properties and its options thereon.

iv) Office expenses increased by $3,506 to $12,250 from $8,744 in 2010 and reflect increased administrative support for the management of the Company's properties and options thereon.

v) Regulatory fees decreased by $3,712 to $9,862 from $13,574 in 2010 and reflect the lack of share issuances during the current quarter.

vi) Rent decreased by $12,499 to $6,849 from $19,348 from an increase in subleased space.

Significant variances in the Company's financial position for the quarter ended April 30, 2011 were as follows:

i) Cash decreased by $178,236 to $316,724 from $494,960 and reflects the ongoing exploration of the Company's mineral properties.
ii) Marketable securities have decreased by $95,299 to $127,355 from $222,654 and reflect a decrease in the market value of the securities held by the Company.
iii) Prepaid expenses and advances have decreased by $4,500 to $nil from $4,500 and reflect the use of prepaid business promotion expenses.
iv) Equipment has increased by $8,983 to $23,303 from $14,320 and reflects computer equipment and office furniture purchased during the quarter.
v) Exploration advances have decreased by $100,282 to $107,966 from $131,910 and primarily reflect the use of advances previously received for exploration of the Company's Guadalupe property.

Selected Annual Information

	Oct. 31, 2010 $	**Oct. 31, 2009 $**	**Oct. 31, 2008 $**
Total revenue	Nil	Nil	Nil
Loss for the year	(452,523)	(1,615,185)	(777,199)
Basic and diluted loss per share	(0.01)	(0.03)	(0.02)
Total assets	3,599,199	3,105,770	3,953,588
Total long-term financial liabilities	Nil	Nil	Nil

Summary of Quarterly Results
The consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles. The table below sets out the quarterly results of the Company for the 8 most recent quarters.

	Ap 30,, 2011	Jan. 31, 2011	Oct. 31, 2010	Jul 31, 2010	Apr 30, 2010	Jan. 31, 2010	Oct. 31, 2009	Jul 31, 2009

Revenue	$0	$0	$0	$0	$0	$ 0	$ 0	$ 0
Loss for the period	($119,038)	($120,016)	($10,974)	$122,998	182,797	157,702	1,251,667	132,492
Basic and diluted loss per share	0.00	0.00	0.00	(0.002)	(0.003)	(0.002)	(0.02)	(0.01)

Liquidity and Capital Resources

As at April 30, 2011 the Company had working capital of $398,141, as compared to working capital of $157,878 as at October 31, 2010. The Company will require continued financing or outside participation, to undertake additional exploration and subsequent development of its mineral properties.

As at April 30, 2011, the Company had cash of $316,724 ($171,318 as at October 31, 2010).

Related Party Transactions

The Company entered into transactions with the following related party during the quarter ended April 30, 2011:

(a) Consultants' fees of $24,000 (2010 - $18,000) were paid to a company controlled by the President of the Company.

(b) Management fees of $21,000 (2010 - $15,000) were paid to an officer of the Company.

(c) Office service fees of $6,000 (2010 - $6,000) were paid to a corporation controlled by the Corporate Secretary of the Company.

All transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the Company and the related parties.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements

Proposed Transactions

The Company has no proposed transactions other than what was disclosed in the Subsequent Events in the Consolidated Financial Statement

Risks

All of the properties in which the Company has an interest are in the exploration stage only and the business of the Company is subject to the following risks:

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company has not discovered a metals or diamond deposit of commercial grade on any of its properties. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability of the Company to obtain suitable machinery, equipment or labor are all risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required in order to establish ore reserves through drilling and staged bulk sampling, to develop optimum metallurgical processes to extract the metals or diamonds from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial mining operations or that funds required for development can be obtained on a timely basis. The economics of developing mining properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in the prices of ore which can be obtained on the metal markets, costs of processing equipment and such other factors as aboriginal land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There is no certainty that the expenditures to be made by the Company in the exploration and development of the interests described herein will result in discoveries of commercial quantities of ore.

Political Risks

The management and directors of Yale feel that Mexico is a politically stable area of the world that still has significant potential for discoveries.

Mexico is located immediately south of the United States of America and is 1,972,550 square kilometres in size (approximately twice the size of British Columbia). Elections held in July 2000 marked the first time since the 1910 Mexican Revolution that the opposition defeated the party in government, the Institutional Revolutionary Party (PRI). Vicente Fox of the National Action Party (PAN) was sworn in on 1 December 2000 as the first chief executive elected in free and fair elections. Recently Felipe Calderon was sworn in as the new president of Mexico and will be in power for the coming 6 years. Mexico has a free market economy that recently entered the trillion-dollar class. It contains a mixture of modern and outmoded industry and agriculture, increasingly dominated by the private sector. Recent administrations have expanded competition in seaports, railroads, telecommunications, electricity generation, natural gas distribution, and airports. Per capita income is one-fourth that of the US; income distribution remains highly unequal. Trade with the US and Canada has tripled since the implementation of NAFTA in 1994. Mexico has 12 free trade agreements with over 40 countries including, Guatemala, Honduras, El Salvador, the European Free Trade Area, and Japan, putting more than 90% of trade under free trade agreements.

Market Risks

The marketability of metals or diamonds recovered from deposits, which may be acquired or discovered by the Company, will be affected by numerous factors many of which are beyond the control of the Company. These factors include market fluctuations in the price of metals or diamonds, the capacity of the market, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of metals or minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return for shareholders.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations, rock bursts, cave-ins, fires, flooding, or other conditions may occur from time to time. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

No Assurance of Title or Boundaries, or of Access

While the Company has registered its mining claims with the appropriate mining authorities and has filed all pertinent information to industry standards, this should not be construed as a guarantee of title. In addition, the Company's properties consist of recorded mineral claims, none of which have been legally surveyed, and therefore, the precise boundaries and locations of such claims may be in doubt and may be challenged. The Company’s properties may also be subject to prior unregistered agreements or transfers or native land claims and the Company title may be affected by these and other undetected defects.

Government Regulation

The Company's operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, return of capital and labor relations.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's operations. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the Company.

Environmental Regulation

The Company's operations may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition on the Company of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that has lead to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of the Company's operations.

Competition

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

Management

The success of the Company depends to a large extent on its ability to retain the services of its senior management and members of its board of directors. The loss of their services may have a material adverse effect on the Company.

The Company has no compensatory plans or arrangements in effect with any of its senior officers or members of its board of directors with respect to the resignation, retirement, or other termination of their services, or with respect to a change in their responsibilities following a change in the control of the Company.

Financing Risks

The Company has no source of operating cash flow, limited financial resources, and has no assurance that additional financing will be available to it for further exploration and development of its properties or to enable it to fulfill its obligations under any applicable agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties and the possible loss of title to such properties. If such additional financing is raised, it will likely be through the issuance of additional equity securities of the Company, which may have a substantial dilutive effect on shareholders acquiring securities of the Company.

Permits and Licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations on the Company's properties.

Risks Related to Nature of Ownership of Common Shares

Dilution

Shareholders may suffer immediate and/or future dilution with respect to future private and or public offerings of common shares currently being contemplated in order to secure needed capital to facilitate Company growth.

Market Volatility

The trading price of the common shares may be subject to wide fluctuations in response due to variations in operating results, and other events and factors. In addition, the stock market may experience price and volume fluctuations, which may adversely affect the market price of the common shares of the Company

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates are the assumptions used in the determination of the valuation allowance for future income taxes, determination of asset retirement obligations (“ARO”), recoverability of mineral property interests, depletion of oil and gas interests, the determination of variables used in stock-based compensation, rates of amortization for equipment, accrued liabilities, and the determination of valuation allowances for any future income tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flow.

Changes in Accounting Policies Including Initial Adoption

Future accounting changes

(i) International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the transition to IFRS from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises. The Company will therefore be required to present IFRS financial statements for its January 31, 2012 interim financial statements. The effective date will require the restatement for comparative purposes of amounts reported by the Company for the interim periods and for the year ended October 31, 2011 and earlier where applicable. The Company is currently evaluating the impact of the conversion on the Company’s consolidated financial statements and is considering accounting policy choices available under IFRS.

(ii) Business Combinations

In January 2009, the CICA issued Section 1582, “Business Combinations”, Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”. These new standards are harmonized with IFRS. Section 1582 specifies a number of changes, including: an expanded definition of a business, a requirement to measure all business acquisitions at fair value, the use of the date of exchange as the measurement date, the requirement to measure non-controlling interests at fair value and a requirement to recognize acquisition related costs that are not capital in nature as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. The new standards will become effective in 2011 but early adoption is permitted.

International Financial Reporting Standards

The conversion to IFRS will likely impact the Company's statement of financial position and results of operations. To transition to IFRS, changes may be required to the Company's information technology and data systems, internal control over financial reporting, disclosure controls and procedures, financial reporting expertise and training requirements, and matters that may be influenced by GAAP measures such as capital requirements.

The detailed analysis of the IFRS – Canadian GAAP differences, and the selection of accounting policy choices under IFRS has commenced and the Company will continuously monitor changes in IFRS leading up to the changeover date, and will update its conversion plan as required.

Management's Report on Internal Controls Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2010. Based on management's assessment and those criteria, management has concluded that the internal control over financial reporting as at October 31, 2010 was effective.

Disclosure Controls and Procedures

The Company's management is responsible for establishing and maintaining disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to senior management. Senior management has evaluated the Company's disclosure controls and procedures and have concluded that they are effective as of October 31, 2010.

Disclosure of Outstanding Share Data

As at June 29, 2011, the Company had the following common shares, stock options and warrants outstanding:

Common shares	80,839,156
Stock options (vested and unvested)	4,795,000
Warrants	0
Fully diluted shares outstanding	85,634,156

The Company's ongoing exploration is dependent on raising additional capital to develop its properties and the Company is continually assessing overall market conditions to ensure this need is fulfilled to the benefit of the Company and its shareholders.

Subsequent Events

On May 5, 2011 Yale announced start of geophysics program at Los Amoles Property located in central Sonora State. Work at Los Amoles is being done by Yale on behalf of Sonora Resources Ltd. (previously Nature's Call), which has an option to earn a 70% interest in the property.

The geophysics will consist of both IP and Magnetic susceptibility and cover a nine (9) square kilometer area with 28 line kilometres of grid. This area will cover the main 1.0 by 2.5 km target area that has previously been mapped and sampled as well as prospective land to the southwest that is known to contain additional historic workings.

Previous mapping has successfully defined a vein system that has been traced on surface for approximately 800 metres along strike (see news release dated Feb. 15, 2011) with highlight samples including:

- **2.0 metres grading 0.63 g/t gold and 698.6 g/t silver**
- **6.0 metres averaging 0.33 g/t gold and 226.6 g/t silver**
  including 2.0 metres grading 0.63 g/t gold and 497.3 g/t silver
- **1.0 metres grading 0.33 g/t gold and 496.8 g/t silver**
- **Dump material grading 0.24 g/t gold and 1,027.5 g/t silver**

To date, greater than 45 historic workings and greater than 20 gold/silver veins have been identified within approximately 60% of the El Rosario target area that measures 1.0 by 2.5 kilometres. Another stage of fieldwork is planned in order to map and sample the remaining areas within the El Rosario target. This work will be done in advance of geophysics, which in turn, will be done to delineate priority locations for drilling.

On May 25, 2011, Yale reported that it has accelerated the purchase of 9 concessions totalling 7,714.66 hectares (or 77 square km) that make up a majority of the Orofino Project, located in central Sonora State.

In order to accelerate the purchase, Yale and Canmex Barite have agreed to amend the option to purchase agreement such that upon transfer of the concessions in whole with no liabilities to Yale's Mexican subsidiary Minera Alta Vista S.A. de C.V., Yale will issue the remaining 700,000 shares that were to be issued over two years.

In addition, Yale has dropped the option on several interior concessions (the Olivaria Option) within the Orofino property that total 174.48 Ha (or 1.7 square km) as a majority of the exploration potential for the mineralization exposed in the historic open pits is outside of those small concessions.

However, Yale will continue with the option on two important concessions (the Pima de Oro Option) that total 264.65 Ha (or 2.65 square km). These concessions contain the El Gato target, where Teck drilled 2.27 g/t gold and 13.7 g/t silver over 15.24 metres, as well as the San Francisco and Koala targets, which were discovered by Yale.

On June 22, 2011, the Company reported that the recently completed 28 line-kilometre geophysics program at the Los Amoles Silver Property, located in central Sonora State, has identified multiple potentially significant targets.

The geophysical interpretation identified eight (8) linear 500 to greater than 800 metre long features that are parallel to the trend of the known veins/structures within the property. The summary report prepared by the geophysical contractor concluded that “certain axies are representative of mineralised structures or veins whose potential has yet to be fully determined and should thus be further investigated” and recommended that three of them be drill tested.

In addition to the eight linear features, the Induced Polarization survey was successful in identifying multiple stand-alone targets. The Rosales mine occurs in the centre of a +19 mV/V chargeability high that is the middle of three such anomalies that form a corridor greater than 1.0 km in length. However, a 600 metre by 1,100 metre chargeability anomaly was identified in an area of the project that has received only limited field work to date.

In addition to the geophysics survey, 124 rock samples were taken from historic workings, mineralized dumps and outcrops. Samples have been submitted to Inspectorate Labs’ preparation facility in Hermosillo and results are expected shortly.

Work at Los Amoles is being performed by Yale on behalf of Sonora Resources who by funding the exploration have the right to earn a 70% interest in the property.