YALE RESOURCES LTD

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS

QUARTER ENDED JULY 31, 2011

Date Submitted: September 29, 2011

Introduction

The following discussion and analysis, prepared as of September 29, 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 utilizes the project generator business model to maximize its exposure to discovery while minimizing shareholder risk. As a project generator the Company acquires properties with high potential and options a percentage interest in them to other public companies for a combination of cash, shares and exploration commitments over a number of years. If the other company fulfils the terms of the option then that percentage ownership is transferred. Yale currently has nine projects in its portfolio of which five are optioned out.

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 quarter ended July 31, 2011, the Company incurred $27,000 in mineral property acquisition costs and exploration expenditures, and had exploration cost recoveries and option proceeds totalling cash of $64,246, 200,000 shares of Sonora Resources with a deemed value of $127,517, and exploration advances received previously of $6,907, for total recoveries valued at $198,670.

As at July 31, 2011, the Company had consolidated working capital of $335,529. 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

The Company has nine projects in its portfolio: Urique, Carol, La Verde, Dos Naciones, Orofino, Apache, Los Amoles, Tenoriba and Guadalupe.

APACHE PROPERTY

The Apache Property was acquired in Dec. 2010 and is owned 100 % by Yale. The property is not optioned.

On September 27, 2011, the Company reported that ongoing field work at the Apache Property has identified two strong multi-element soil geochemistry anomalies that coincide with historic workings. This shows the potential for mineralization to continue under overburden cover. The wholly owned 400 hectare Apache Property is located approximately 150 kilometres north of Hermosillo, Sonora State, and is approximately 30 km west of Timmins Gold's San Francisco Mine. The central mineralized zone at Apache is defined by multiple historic workings centred on southwest trending veins and contact zones hosted in altered metasediments.

Recent work at Apache concentrated on the flat area at south of the property where there is very little outcrop. A total of 536 soil samples were taken from a grid measuring 500 by 1,000 metres. The two most significant anomalies coincide with small historic workings surrounded by areas with sparse outcrop exposure. These results show the potential for mineralization to be encountered over a much more significant area covered by overburden.

The largest anomaly - that coincides with the Las Tortugas workings - measures approximately 300 metres by 200 metres with strong silver, copper, lead, zinc, mercury, and molybdenum values. This soil anomaly more than quadruples the size of the target area. Previous sampling at Las Tortugas (previously called Apache) returned the following results (see news release dated Dec. 30, 2010):

Type	Width (m)	Description	Ag (g/t)	Cu (%)	Zn (%)
Chip channel	1.4	Quartz-rich structure hosted in metasediments with disseminated copper oxides and crisocola	42.7	1.53	2.96
Chip channel	2.8	Strongly fractured structure and metasediments with disseminated copper oxides and crisocola	75.7	0.97	0.93
Chip channel	2.0	Strongly silicified metasediments with disseminated copper oxides, crisocola and azurite.	4.2	2.99	1.99

During the collection of the soil samples a new historic working - La Cazcabel - was encountered. This new mineralization coincides with the second multi-element anomaly. The La Cazcabel anomaly measures approximately 200 by 75 metres however, it is open to both the north and west as the anomaly extends off of the northwest corner of the soil grid. The La Cazcabel anomaly is strong in gold, lead and zinc with moderate silver, mercury and molybdenum values.

Ongoing work at Apache will augment the size of the soil grid in addition to detailed sampling of the new workings and trenching the core of the soil anomalies.

LOS AMOLES PROPERTY

The Los Amoles Property was acquired in April 2010 and is owned 100 % by Yale. The property is optioned to Sonora Resources who have the option to earn a 70% interest in the property by paying Yale US $ 50,000, spend US $ 900,000 on exploration expenditures and issue 1,000,000 shares to Yale over three years.

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 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 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.

On July 6, 2011, the Company reported that sampling has identified multiple additional potential high grade silver targets at the Los Amoles Silver Property, located in central Sonora State. The work at Los Amoles during the past 6 months has advanced the project significantly by concentrating on a two by three kilometre mineralized zone defined by a strong colour anomaly and now know to contain the following:

- 60 known veins with strike lengths up to 1 kilometre
- 40 known historic workings (adits and excavations)
- 19 known shafts

Recent sampling tested new areas and was successful in expanding the number of veins and workings within the core area. Due to these historic workings being newly rediscovered sampling concentrated on the mineralized dumps located at the opening of workings. Highlights from these new mineralized dumps are:

Location	Description	Au g/t	Ag g/t	Pb %
Terrero SE	Vein material with local galena	0.40	495.1	1.21
Terrero SE	Andesitic host rocks with quartz stockwork	0.17	219.3	0.62
Cata	Vein material with local galena	0.24	706.5	2.05
Tiro Sur	Argillic altered andesite with oxides, carbonates and local galena	0.43	102.5	-
Terrero 14	Silicified andesite with strong oxidation	1.15	451.7	-
Obra Rancho	Vein and quartz-rich material	0.53	295.3	0.38
Obra Rancho	Oxidized andesite host rock	0.44	166.9	-

The Rosales mine, located to the north of the core area remains the most advanced target within the property. The series of underground workings were mapped and an in order to maximize the information gained from sampling of the mineralized dumps sampling was done of different material – vein material and volcanic host rocks. As a result of this sampling it appears that the host rocks are locally strongly mineralized. The highlights of the sampling of the extensive mineralized dumps at the Rosales mine are:

Location	Description	Au g/t	Ag g/t	Pb %
Area Rosales	Quartz-rich material and vein - strongly oxided	0.43	705.6	0.48
Area Rosales	Quartz-rich material and vein with oxides and galena	0.83	281.8	0.31
Area Rosales	Argillic altered andesite with oxides, carbonates and local galena	0.29	133.4	-
Area Rosales	Quartz-rich material and vein with oxides and galena	0.71	253.5	0.41
Area Rosales	Quartz-rich material and vein with oxides and galena	0.54	205.3	1.98
Area Rosales	Argillic altered andesite with oxides, carbonates and local galena	0.32	443.9	-

By sampling different rock types and mineralizing styles from the mineralized dumps the Company is able to sample material that have not been seen in outcrop. Sampling of rocks similar to the surrounding host rocks that contain stringer-style veining consistently have returned silver values greater than one ounce per tonne, which may indicate that the potential for wider widths of mineralization exist.

In addition, sampling from this program was also successful in identifying higher gold values.

CAROL PROPERTY

The Carol Property was optioned in October, 2006 and acquired in March 2008. It is wholly owned by Yale. The Carol Property is currently optioned out to El Condor Minerals who have the right to earn a 70% interest in the property by spending $ 1,700,000 on exploration expenditures and paying Yale a total of $350,000 over four years.

Yale and El Condor agreed to amend the option by extending the date due for the second payment 2 months in exchange for a payment to Yale of $10,000.

There was no fieldwork performed on the property during the quarter.

OROFINO PROJECT

The Orofino property was optioned in July, 2009 and a majority of the project was acquired in May 2011. A portion of the property remains under option. The Orofino property is currently available for option.

On May 25, 2011, the Company announced that it had accelerated the purchase of 9 concessions totaling 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 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.

The Orofino Property is now 7,979.31 Ha in size (or 79.8 square km) and contains four known exploration targets – Santiago, San Francisco, El Gato and Koala. The success of Yale's exploration at Orofino continues to expand the property's significant exploration potential.

Tenoriba Property

The Tenoriba Property was optioned in July, 2010 and Yale has an option to earn a 100% interest in the property.

There was no fieldwork reported during the quarter and the Company is currently in the process of terminating the option on the property

Dos Naciones Property

The Dos Naciones Property was acquired in October 2008 by staking and is owned 50% by Yale. Del Toro Silver Corp. owns the other 50% and has an option to earn a 70% interest in the property by undertaking a total of $800,000 in exploration expenditures and issuing to Yale 800,000 shares.

There was no fieldwork reported on the property during the last quarter.

Urique Property

The Urique Property was originally optioned by Yale in August 2006 and acquired in March, 2009. The property is 100% owned by Yale.
In March 2009, the Company optioned the property to American Sierra Mining Corp. however that option was terminated in October, 2010.
Mammoth Capital Corp., a CPC, has optioned the rights for up to a 100% interest in the property as their Qualifying Transaction with the TSX-V. Mammoth can earn an initial 70% interest in the property by paying Yale $50,000 ($25,000 received), issuing to Yale 1,800,000 shares, and incurring a total of $3,000,000 in exploration expenditures. In order to earn the remaining 30% interest in the Property, Mammoth must issue an

additional 500,000 common shares to Yale and must have completed a resource estimate on the Property delineating at least 300,000 equivalent ounces of gold in the measured and indicated categories within an additional three years. Upon completion of the resource estimation Mammoth would then be required to issue an additional share for each equivalent ounce of gold within the measured and indicated categories, subject to a minimum of 300,000 shares and a maximum of 2,000,000 shares.

There was no fieldwork reported on the property during the last quarter.

La Verde Property

The La Verde Property was originally optioned by Yale in June, 2007. The project was expanded in 2007 and 2008. The Company owns 100% in a majority of the property, however has not completed the original option on the core La Verde Grande concessions. This agreement is in good standing, however Yale has missed several payments.

There was no fieldwork reported on the property during the quarter.

Guadalupe Property

The Guadalupe Property was optioned by Yale in January, 2010 and has the right to earn a 100% interest in the property.

Silver America Mining has an option to earn a 90% interest in Guadalupe and will be required to pay Yale US $ 900,000, spend US $ 2,000,000 on exploration expenditures and issue 1,000,000 shares to Yale over four years. Should the earn-in be completed Yale will retain a 10% participating interest in the property as well as a 2% NSR, which can be bought out in entirety for US $ 2,000,000.

There was no fieldwork reported on the property during the quarter as there is a legal dispute on the claims. Payments to the underlying owner have been suspended and the option with Silver America has also been suspended until the situation has been resolved. The option between Yale and the underlying owner and the option between Silver America and Yale are both in good standing.

Corporate Events

On September 14, 2011 the Company announced that it has signed and formalized an Option Agreement with Mammoth Capital Corp. – a Capital Pool Company – for Yale's wholly owned Urique Property located in Chihuahua State, Mexico.

Under the terms of the Option Agreement, in order to earn a 70% interest in the property Mammoth will be required to pay Yale $50,000 ($25,000 received), issue to Yale 1,800,000 shares in Mammoth, and incur a total of $3,000,000 in exploration expenditures on the Property over a four year period.

Mammoth must issue 200,000 common shares upon receipt of Exchange approval to the proposed qualifying transaction and must issue a further 100,000 shares within 6 months of such approval. Subsequent share issuances of 300,000 at the 12 month anniversary and 400,000 on each subsequent anniversary will also be due in order to keep the Option Agreement in good standing. The first year's requirement will be $300,000 in exploration expenditures followed by a further $500,000 in the following year, $800,000 in the third year and $1,400,000 in the final year of the Option Agreement.

In order to earn the remaining 30% interest in the Property, Mammoth must issue an additional 500,000 common shares to Yale and must have completed a resource estimate on the Property delineating at least 300,000 equivalent ounces of gold in the measured and indicated categories within an additional three years. Upon completion of the resource estimation Mammoth would then be required to issue an additional share for each equivalent ounce of gold within the measured and indicated categories, subject to a minimum of 300,000 shares and a maximum of 2,000,000 shares.

“This is a great deal for the Company and Yale’s shareholders as Mammoth will build on Yale’s previous success at Urique. Continued success at Urique will allow Yale to become a significant shareholder in Mammoth and leverage the upside potential of the property”, stated Ian Foreman, P.Geo., president of Yale.

If Mammoth elects not to proceed to earn the remaining 30% interest in the Property, the parties will form a 70-30 joint venture and will contribute to further exploration in accordance with their respective joint venture interest.

Yale will be the operator for the project during at least the first year of the Agreement and as such will charge Mammoth a management fee for all work performed on the Property.

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 July 31, 2011 were as follows:

i) Accounting, audit and legal fees decreased by $2,781 to $15,693 from $18,474 in 2010 and reflect less legal work done due to fewer share transactions during the quarter.

ii) Consultants’ fees decreased by $8,500 to $19,000 from $27,500 in 2010 and reflect the ending of a consulting contract during the previous quarter.

iii) Investor relations and promotion decreased by $7,426 to $4,137 from $11,563 in 2010 and reflect contracts that ended in 2010.

iv) 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.

v) Office expenses decreased by $4,057 to $8,647 from $12,704 in 2010 and reflect lower administrative support costs during the quarter.

vi) Regulatory fees decreased by $2,914 to $nil from $2,914 in 2010 and reflect the lack of share transactions during the current quarter.

vii) Rent increased by $2,612 to $11,638 from $9,026 and reflects fewer sublet tenants.

Significant variances in the Company's financial position for the quarter ended July 31, 2011 were as follows:

i) Cash decreased by $94,544 to $222,180 from $316,724 and reflects the ongoing exploration of the Company's mineral properties.
ii) Marketable securities have increased by $109,465 to $236,820 from $127,355 and reflect securities received from Sonora Resources on the Los Amoles property.
iii) Mineral property interests have decreased by $217,729 due to mineral property option payments received and the write off of five concessions at Oro Fino, as described in Note 7(d) of the financial statements.

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.

	Jul 310 2011	Apr 30, 2011	Jan. 31, 2011	Oct. 31, 2010	Jul 31, 2010	Apr 30, 2010	Jan. 31, 2010	Oct. 31, 2009
Revenue	$0	$0	$0	$0	$0	$0	$ 0	$ 0
Loss for the period	($249,084)	($119,038)	($120,016)	($10,974)	$122,998	182,797	157,702	1,251,667
Basic and diluted loss per share	0.00	0.00	0.00	0.00	(0.002)	(0.003)	(0.002)	(0.02)

Liquidity and Capital Resources
As at July 31, 2011 the Company had working capital of $335,529, 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 July 31, 2011, the Company had cash of $222,180 ($171,318 as at October 31, 2010).

Related Party Transactions
The Company entered into transactions with the following related party during the quarter ended July 31, 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 September 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 25, 2011, Yale reported that it has accelerated the purchase of 9 concessions totaling 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 August 16, 2011 the Company has granted incentive stock options under the Company's stock option plan to directors, officers, and employees of the Company and its Mexican subsidiary to purchase an aggregate of 1,000,000 treasury shares.

In addition, the Company has granted 300,000 stock options to Queen’s University as a future charitable donation if exercised.

The options are exercisable for a period of three years at a price of $0.10 per share and are subject to the policies of the TSX Venture Exchange.