

RANDBURG INTERNATIONAL GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE Nine MONTH PERIOD ENDED October 31, 2011

The objective of this Management Discussion and Analysis Report ("MD&A") released by Randsburg International Gold Corp. (the "Company" or "Randsburg") is to allow the reader to assess our operating results as well as our financial position for the nine month period ended October 31, 2011 compared to the nine-month period ended October 31, 2010. This report is based on all available information up to December 14, 2011 and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes for the interim nine month period ended October 31, 2011 and with the audited financial statements for the year ended January 31, 2011, as well as the accompanying notes. The October 31, 2011 interim condensed consolidated financial statements are the Company's first nine month financial statements prepared under IFRS. Consequently, the comparative figures for 2010 have been restated from Canadian GAAP, to comply with IFRS. The reconciliations from the previously published Canadian GAAP financial statements are summarized in note 18 to the interim condensed consolidated financial statements. In addition IFRS 1 on first adoption allows certain exemptions from retrospective application of IFRS in the opening statement of financial position. Where these exemptions have been used they have also been explained in note 18 to the interim condensed consolidated financial statements. Unless otherwise indicated, all amounts are expressed in Canadian dollars.

The Company discloses, on a regular basis, additional information on its operations, which is recorded on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada at www.sedar.com.

Forward Looking Statement

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

The document may contain forward-looking statements that reflect management's current expectations with regards to future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ from expected results. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.

Nature of Activities and Continuation of Exploration Activities

Randsburg International Gold Corp. (the "Company") was incorporated under the laws of British Columbia. Its principal business activity is the acquisition and exploration of mineral property interests in Canada and South America. The Company has not determined whether its properties contain ore reserves which are economically recoverable. The recovery of the amounts shown for mining properties is dependent upon the existence of economically ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of its properties.

The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its Shareholders and creditors. The Company has not determined whether its properties contain ore reserves that are economically recoverable. The application of IFRS on a going concern basis may be inappropriate, since there is doubt as to the appropriateness of the going concern assumption.

The preparation of Interim condensed financial statements in accordance with IAS 34 requires the use of certain critical accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.17.

The shares of the Company are listed on the TSX Venture Exchange and are traded under the symbol RGZ.

Highlights of the Period

During the period under review, Randsburg International Gold Corp. (the “Company”) continued to evaluate its Titan Project in Flett and Angus Townships in Ontario, Canada.

On August 11, 2001 the Company signed a Memorandum of Understanding (“MOI”) in respect of its Flett Project 100% interest in 10 claims covering an area of 5,440 acres. Under the terms of the MOI the purchaser can acquire an 80% interest in the property after a 45 day due diligence period by paying Randsburg \$50,000 upon signing a definitive agreement, making payments of \$90,000 in the first year, and \$25,000 per month thereafter up to \$2,000,000. In addition the purchaser must spend a minimum of \$200,000 on exploration and development work prior to June 30, 2012. The parties have been in discussions to conclude a definitive agreement; however to date the parties have been unable to reach a definitive agreement and there can be no assurance that the project will be funded by the purchaser.

Titan Iron-Titanium-Vanadium Project - Flett and Angus Townships, Ontario, Canada

The Titan Project is an Iron-Titanium-Vanadium project located in Flett and Angus Townships in Ontario. The Titan Project comprises 1,310 contiguous hectares (3,240 acres) of 4 claims (123 units) and 17 patents. Flett and Angus Townships are located 120 kilometres northeast of Sudbury, Ontario and 50 kilometres north of the City of North Bay. The Project is subject to a 3% NSR that can be purchased by the Company for \$ 1,500,000.

On January 15, 2010 the Company announced that it had entered into a definitive agreement with Prophecy Resource Corp. (TSX-V: PCY) whereby Prophecy has been granted the option to earn an 80% interest in its Titan Project.

Under the agreement, Prophecy has the right to acquire an 80% interest in the Titan Project by paying Randsburg an aggregate of \$500,000 and incurring \$200,000 in Exploration Expenditures by December 31, 2010. Randsburg has the option to sell its remaining 20% interest in the project to Prophecy until December 31, 2012 for \$150,000 or 400,000 common shares of Prophecy. The Company has received \$500,000 in respect of the option, however Prophecy incurred \$85,258 in Exploration Expenditures in 2010 and agreed to pay Randsburg \$114,742 in lieu of the balance of the contractual 2010 Exploration Expenditures. Due to delays in development, the company wrote off costs of \$1,936,201, leaving the property at its net realizable value of \$350,000.

The Company has completed a NI43-101 Technical Report on the Titan Project (the “MDA Report”). The MDA Report, titled “Technical Report, Titan Project, Ontario Canada, dated November 7, 2006, Revised February 12, 2007, and Ownership Revised February 26, 2010”, was authored by Neil Prenn, P. Eng. of Mine Development Associates (Reno, Nevada) (“MDA”) as the Company disclosed in its news release of March 18, 2010. MDA stated that only inferred resources can be calculated for the project since the drill holes have not been surveyed and the recovery of saleable products and economics of the project have not been defined. The inferred resources for the project total 49.0 million tonnes grading 48% Fe₂O₃ (iron oxide), 14.8% TiO₂ (titanium dioxide), and 0.24% V (vanadium). The estimate was prepared at a cut-off grade of 40% Fe₂O₃ and a specific gravity of 4.29 g/cm³. The MDA Report was filed on Sedar and readers can access it at www.sedar.com. The results of the vanadium and titanium dioxide independent resource estimate are summarized in the following table:

Mineral Resource Estimate for Titan (at a cut-off of 40% Fe ₂ O ₃)					
Resource Category	Tonnes (millions)	V Grade (%)	TiO ₂ Grade (%)	Vanadium Contained Lbs*	TiO ₂ Contained Tonnes*
Inferred	49.0	0.24	14.82	259,174,729	7,259,310

- Metal recoveries were assumed to be 100% for both vanadium and titanium oxide.

The MDA Report used the following methodologies and key assumptions: Grades for Fe_2O_3 , TiO_2 , and V were interpolated by ordinary kriging into 5 x 5 x 10 metre blocks from 10 metre composites from mineralized zones. These kriged block grades were compared to grades estimated by inverse distance methods and were essentially the same globally. A minimum of one composite and a maximum of nine composites were used to interpolate grades. Since the economics and recoveries of the different materials contained in the mineralized zone have not been defined all of the material estimated within the high-grade mineralization boundary (approximately a 40% Fe_2O_3 cutoff grade) and within the variogram range of 108 metres from a composite has been defined as an inferred resource.

The MDA Report concludes that the next phase of work should concentrate on the metallurgy of the deposit. Testing utilizing both Altairano's new technology and conventional technology should be completed. The metallurgical program should be designed by an independent metallurgist after reviewing the data. The drill holes and project area should be surveyed to obtain more accurate drill hole coordinates and site topography. A surface geologic map should be completed utilizing methods to clear the soil and till to expose the surface geology where required. Additional surface drilling should be completed in open areas. This work should lead to a preliminary assessment of the Titan Project.

The Titan Property is well located in terms of infrastructure. The Ontario Northland Railway main line runs right next to the property, a major high voltage transmission line is 7 kilometres away and Highway 11, the major highway linking Northern and Southern Ontario is 18 kilometres to the west. There is a large work force available in the area and the property is close to major North American markets for iron and titanium.

Titan is located at the extreme northeast end of the Fall Lake intrusive and is delineated by very high magnetic susceptibility. The airborne magnetic signature shows a sub-circular surface expression that is 1,000 by 800 metres in area. The mineralization is known to be located in the northern portion of the magnetic anomaly, and it has a steep plunge towards the south-southeast.

The Titan mineralization is formed by the hydrothermal replacement of mafic to ultramafic rock complex that is a younger part of the Grenville Metamorphic Terrain. The host rock is a fine-grained olivine gabbro, with possible troctolitic overtones. Magnetite, ilmenite and a vanadium mineral make up most of the economic minerals that are present in the mineralized system. There is also the potential for the occurrence of platinum group metals along the margins of the mafic and ultramafic intrusives in Angus Township and adjacent Flett Township. At Titan, slightly anomalous values for platinum, palladium and gold have been returned in assays.

Exploration findings during 2004 and 2005 included:

- The magnetite-ilmenite mineralization is present as a body that plunges steeply towards the southeast. Its character south of 5190100N is little known due to relatively widespread wet ground. Relatively strong magnetism extends southeasterly.
- Titanium and Vanadium are present in the intrusive complex away from the areas of pronounced magnetite content although in lower amounts.
- Susceptibility and assay data generally correlate directly.
- At present the mineralization is open, in part, towards the east, towards the west, the south and to depth.

Prophecy conducted an exploration program on the Titan Project encompassing geophysics and geological mapping during the summer of 2010. The program comprised approximately 22 line kilometres of line cutting that extended the existing grid west and southwest of the Titan deposit. A ground magnetometer survey was conducted over this extension to close off the airborne magnetic anomaly associated with the deposit, and to test the broader extensions highlighted in the airborne survey.

The grid provided control for geological mapping that was conducted to ascertain any trends with focus on determining the nature of the Platinum-Palladium mineralization intersected in previous drilling, and whether there are any expressions of this mineralization at surface. All work conducted is in preparation for drilling targeted to increase the existing 49 million tonne inferred resource, and possibly discover other zones of exploration interest.

The Titan Project is being conducted under the supervision of Ken Germundson, Ph.D, Professional Geoscientist, the

Company's Qualified Person under the meaning of National Instrument 43-101. The drill logs, cores and assay results have been reviewed and verified by Dr. Germundson.

Flett and Angus Township, Ontario Canada

The Company holds a 100% interest, subject to a 3% NSR, in certain claims located in Flett Township contiguous to the Titan Project.

Victory Strike Diamond Project, Brazil

The Company does not intend to do further work on the Project. The Company wrote down the mineral resource property during the year ended January 31, 2010 by \$2,308,161.

Dr. Ken Germundson, Ph.D, Professional Geoscientist is the Company's Qualified Person on the Victory Strike under the meaning of National Instrument 43-101.

Blue Falcon Property

On February 18, 2009, the Company's 85% owned subsidiary company Blue Falcon Mineracao Ltda. entered into an agreement to acquire a 50% to 75% interest in certain mining claims located in Goias State, Brazil from a private Brazilian company. In addition the Company would acquire a 50% interest in related plant and equipment.

In order to earn its interest in the claims, the Company must spend US\$300,000 over a 20 month period and issue 1,000,000 common shares. The Company will be the operator.

The Company has declared "force majeure" in respect of its obligations under the agreement due to flooding on the claims caused by a hydroelectric project. The Company expects that the delay caused by "force majeure" to be determined by legal clarification of allowable mineral exploration and mining activities on the claims in the circumstances. The Company is required to pay up to US\$120,000 in additional fees in order to acquire its interest in the claims. The Company has advised its partner that no further payments will be made until the issue of "force majeure" is resolved to the Company's satisfaction. During the fourth quarter of 2011 the Company has written off its interests in these claims in the amount of \$214,283. The Company still maintains other claims at a cost of \$30,000.

Selected Annual Information

	Years ended January 31		
	2011	2010	2009
	\$	\$	\$
Interest revenue	-	13,846	22,695
Net Loss	(2,281,640)	3,108,829	2,498,642
Per share-basic and fully-diluted	(0.096)	(0.137)	(0.120)
Total assets	413,454	2,671,471	5,290,870

Results of Operations

For the Years ended January 31

	2011	2010
	\$	\$
Amortization	544	400
Consulting fees	24,194	26,526
Finders' fees	-	25,561
Listings and transfer agents fees	17,256	12,612
Interest and bank charges	25,417	17,175
Interest on loan payable	24,254	17,664
Management fees	156,000	147,000
Office and miscellaneous	19,440	70,073
Professional fees	122,300	83,166
Stock-based compensation	-	104,128
Travel and promotion	-	1,544
	(389,405)	(505,859)
Other items		
Interest income	-	13,846
Write-off of loan receivable	-	(146,182)
Write-down of short term investment	-	(125,000)
Gain (loss) on sale of marketable securities	4,155	(61,400)
Foreign exchange gain/(loss)	-	(5,665)
Penalties on flow through shares	-	-
Cost recoveries	254,094	29,593
Net loss	(2,281,640)	(3,108,829)

The reduction in expenses compared to the previous year was due to the following factors:

- Finders' fees of \$25,561 were charged in 2010 for the term loan secured by the Titan property.
- A decrease in stock-based compensation of \$104,128 for stock options as none were granted or vested in 2011.
- An increase in Cost recoveries of \$224,501 from accounts payable and accrued liabilities greater than 2 years old as compared to \$29,593 in 2010.
- During 2011, the Company wrote off its investments in its Flett & Angus Township Property by \$1,936,201 and its Blue Falcon Property by \$214,283 to their net realizable value. In 2010, the Company wrote off its Victory Strike property by \$2,308,162.

The increase in expenses in 2010 compared to the previous year was due to the following items:

- A loss on its sale of marketable securities
- An increase in the write down of its mineral resource interest in the Victory Strike Property in Brazil.

For the three months ended October 31, 2011 and 2010:

	2011	2010
	\$	\$
Amortization	47	80
Consulting fees	7,545	6,000
Interest and bank charges	3,902	6,826
Interest on loan payable	-	3,364
Listing and transfer agent fees	2,929	2,921
Management fees	36,000	39,000
Office and miscellaneous	5,888	1,380
Professional fees	10,000	500
Net (Loss) and Comprehensive Loss for the Period	\$(66,311)	\$(60,071)

The decrease in the loss compared to the same period in the previous year was due to the following factors:

- There are no interest charges on the loan payable in the quarter ending in 2011 as the loan was discharged on April 30, 2011.
- Professional fees are lower by \$22,130 in 2011.

Summary of Quarterly Results

	Q3-12	Q2-12	Q1-12	Q4-11	Q3-11	Q2-11	Q1-11	Q4-10
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss) (\$)	(66,311)	73,427	(83,283)	(2,105,793)	(60,071)	(99,632)	(84,430)	(2,818,721)
Per share (\$)	(0.003)	0.003	(0.003)	(0.010)	(0.001)	(0.002)	(0.116)	(0.126)

The loss for the third quarter of 2012 reflect a reduction from 2011 due primarily to the settlement of the loan payable in quarter 2 of 2011. The net income for the second quarter of 2012 reflects a gain of \$200,000 due to an option payment received in the quarter. The loss for the first quarter of fiscal 2012 which is slightly less the same quarter in 2010 includes interest on the loan payable of \$16,764 as compared to \$8,489 in 2010. The loss for the fourth quarter of fiscal 2011 is primarily due to the write down of the Flett & Angus and Blue Falcom Property for \$2,150,484 offset by cost recoveries of \$254,094 from writing off debt more than two years old which management believes are unenforceable. The loss for the third quarter of 2011 is due to ongoing management fees and interest charges. The loss for the second quarter of 2011 is due to an increase in management and professional fees. The loss in the first quarter of 2011 is primarily due to an increase in management and professional fees. The loss for the fourth quarter of fiscal 2010 of \$2,818,721 is primarily due to the write off of the Victory Strike property of \$2,308,162, a write off of the loan receivable of \$146,182 and a write off of the short term investment of \$125,000

Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral resource properties, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

Future cash requirements will depend primarily on the extent of future expenditures on the Company's exploration programs. The cost and duration of future exploration programs will depend on the results of current exploration programs and therefore, the Company is not able to forecast future cash requirements. The Company will require additional financing to fund its operations and complete exploration programs in 2012 and future years.

During the year ended January 31, 2010, the Company sold an 80% interest in its Titan project to Prophecy which is mortgaged as collateral on the above loan. Accordingly, the Company is to receive an additional \$200,000 from Prophecy to be against the final payment on the loan. Prophecy made the payment of \$200,000 in settlement of the loan on May 17, 2011.

	2011	2010
Loan Payable	\$ -	\$ 205,000
Valuation of warrants	-	(43,183)
Accretion	-	7,963
Prepaid interest	-	(10,799)
	<u>\$ -</u>	<u>\$ 158,981</u>

As at October 31, 2011, the Company had working capital deficit of \$815,809, a contingent liability of \$256,451 for its failure to make required flow-through expenditures (see "Contingencies") and cash of \$24,402. This compares to a working capital deficit of \$911,139 and cash of \$406 as at January 31, 2011. The decrease in the working capital deficit and decrease is primarily due to the conversion of related party debt of \$135,000 to common shares and the use of funds of \$18,978 for care and maintenance costs related to the Brazilian property written off in the January 31, 2011 year end.

Risks and Uncertainties

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. In addition, the Company has a working capital deficit of \$977,605 and a contingent liability for its failure to make required flow-through expenditures (see "Contingencies"). The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to finance its operations and to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These risks include, but are not limited to, the Company's access to additional capital to fund future activities, the loss of mineral properties or the inability to obtain mining licenses, the inherently risky nature of the Company's activities and its lack of experience in bringing an exploration property into production, foreign exchange fluctuations, the political stability and economic uncertainty of those areas in which the Company carries on operations and the lack of infrastructure in those areas, title risks, the risks and uncertainties associated with joint ventures and the Company's reliance on third parties, statutory and regulatory compliance, the adequacy and availability of insurance coverage, the Company's dependence upon employees and consultants and fluctuations in mineral prices.

Significant Accounting Policies

Basis of preparation, adoption of IFRS and going concern

These interim condensed consolidated financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS"), and in accordance with IAS 34 "Interim Financial Reporting". They do not include the information required in annual financial statements in accordance with IFRS. As these financial statements represent the Company's first financial statements under IFRS, they have been prepared in accordance with IFRS 1, "First-time adoption of International Financial Reporting Standards. These interim condensed financial statements have been prepared with the accounting policies the Company expects to adopt in its January 31, 2012 financial statements. The accounting policies are based on IFRS standards that the Company expects to be applicable at that time. The policies described in Note 2 were consistently applied to all periods presented unless otherwise noted below.

The Company's financial statements were previously prepared in accordance with Canadian generally accepted accounting principles (Canadian "GAAP"). The transition date is February 1, 2010. Canadian GAAP differs in some areas of IFRS. In preparing these interim condensed financial statements in accordance with IFRS, management has amended certain accounting and measurement methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2010 were restated to reflect these adjustments. Disclosures that are considered significant to the understanding of the Company's interim condensed financial statements and which are normally included in annual financial statements in accordance with IFRS are provided in note 13. The note also presents reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on the equity, the net loss and the comprehensive loss. Moreover, in addition to the supplemental disclosures in note 18, other notes have been added for ease of understanding of the interim condensed consolidated financial statements.

These interim condensed consolidated financial statements were prepared on a going concern basis, using the historical cost, except for the financial assets and financial liabilities accounted for a fair value through profit and loss.

The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing or maintaining continued support from its shareholders and creditors. The Company has not determined whether its properties contain ore reserves that are economically recoverable. The application of IFRS on a going concern basis may be inappropriate, since there is doubt as to the appropriateness of the going concern assumption.

The preparation of Interim condensed financial statements in accordance with IAS 34 requires the use of certain critical accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.16.

The significant accounting policies that have been applied in the preparation of these interim condensed financial statements are summarized in note 2 to the interim condensed consolidated financial statements for the three month period ended October 31, 2011.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

At the date of authorization of these interim condensed financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted by the Company.

Management anticipates that all the pronouncements not yet effective will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a significant impact on the Company.

IFRS 9 "Financial Instruments (effective ("January 1, 2013")): The International Accounting Standards Board ("IASB") aims to replace IAS 39 "Financial Instruments: Recognition and Measurement" in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and de

recognition of financial assets and liabilities have been issue. These chapters are effective for annual periods beginning on or after January 1, 2013. Further chapters, dealing with impairment methodology and hedge accounting are still being developed. Management has not yet assessed the impact that this amendment is likely to have on the financial statements of the Company. However, it does not expect to implement the amendments until the chapters of IFRS 9 have been published and it can comprehensively assess the impact of changes.

Changes to Accounting Policies

Transition to IFRS

The Company's financial statements for the year ended January 31, 2012 will be the first annual financial statements that comply with IFRS. These interim condensed financial statements were prepared as described in note 1, including the applicable IFRS 1. The effect of the transition to IFRS on equity, comprehensive income and cash flows is presented and described in this note, and is explained in greater detail in the notes associated with the tables.

IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was February 1, 2010 (the "transition date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS as of the end of the reporting date, which for the Company will be January 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exemptions.

Initial election upon adoption:

Upon transition, IFRS 1 permits certain optional exemptions and dictates certain mandatory exemptions from full retrospective application. The Company applied mandatory exemptions and certain optional exemptions. The following in

IFRS optional exemption applied at the time of transition

Share based payment- IFRS 1 encourages, but does not require, the application of IFRS 2 "Share-based-payment" to equity instruments that were granted on or before November 2, 2002. A first-time adopter is also encouraged, but not required, to apply IFRS 2 to equity instruments that were granted after November 7, 2002 and vested before the transition. The Company has elected to apply IFRS 2 only to equity instruments that were granted before the date of transition but were not entirely vested at that time.

IFRS mandatory exemption applied at the time of transition

Estimates – Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any differences in accounting policy.

Reconciliation of Canadian GAAP to IFRS

IFRS requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have an impact on the total operating, financing or investing cash flows. The following presents the reconciliation from Canadian GAAP to IFRS for the respective periods noted for equity, the statement of net loss and comprehensive loss:

Reconciliation of Equity

For the periods ended:			
	January 31, 2011	October 31, 2010	February 1, 2010
Equity under Canadian GAAP	\$ (713,323)	\$ 1,384,255	\$ 1,568,317
Impact of the transition to IFRS:			
1. Share-based payment	-	-	-
2. Flow-through shares	-	-	-

Total Equity under IFRS	\$ (713,323)	\$ 1,384,255	\$ 1,568,317
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Reconciliation of the statement of net loss and comprehensive loss

For the periods ended:		
	January 31, 2011	July 31, 2010
The statement of loss and comprehensive loss under Canadian GAAP	\$ (2,281,640)	\$ (84,430)
Impact of the transition to IFRS:		
1. Share-based payment	-	-
2. Flow-through shares	-	-
The statement of net loss and comprehensive loss under IFRS	\$ (2,281,640)	\$ (84,430)

Notes relating to reconciliations

In addition to the optional exemptions and mandatory exemptions discussed above, the following narratives explain the significant differences between the previous Canadian GAAP accounting policies and the current IFRS accounting policies applied by the Company. Only those differences that impact the Company as of the transition date are described below. The following is not a complete summary of all of the differences between Canadian GAAP and IFRS. Relative to the impacts on the Company, the descriptive caption next to each numbered item below corresponds to the same numbered and descriptive caption in the table above, which reflects the quantitative impacts from each change. Unless a quantitative impact was noted below, the impact of the change was not material to the Company.

Share based payment - As stated in the section entitled "IFRS optional exemptions applied at the time of the transition", the Company has elected to apply IFRS 2 to equity instruments that were granted before the date of transition but that were not entirely vested at the time, however there is no adjustment required.

Recognition of expense

Canadian GAAP – For grants of share-based payments with granting vesting, the total fair value of the award is recognized on a straight-line basis over the employment period necessary for the award.

IFRS – Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis. As a result, there is no adjustment required to expense for any share-based-payment to reflect the difference in recognition.

Forfeitures

Canadian GAAP – Forfeitures of awards are recognized as they occur.

IFRS – An estimate is required of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from estimates. On the transition date, There has been no increased or decrease in its deficit by corresponding to the increase of the share - based payment expenses which were recorded before the transition date resulting in no increase or decrease of the contributed surplus by the equivalent amount. Thus, the effect on equity is nil.

Flow through shares – The Company has financed some exploration expenditures through the issuance of flow-through shares. The resource expenditures deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, when the eligible expenditures are incurred. The difference between the quoted price in common shares and the amount the investors pay for the shares (the 'premium') is recognized as flow-through share liability which is reversed when eligible expenditures have been incurred. The Company decreased its accounts payable and accrued liabilities at January 31, 2010 by \$256,451 and increased its taxes related to flow-through shares by the same amount.

Future Accounting Pronouncements

IFRS 9 “Financial Instruments (effective (“January 1, 2013”): The International Accounting Standards Board (“IASB”) aims to replace IAS 39 “Financial Instruments: Recognition and Measurement” in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and de recognition of financial assets and liabilities have been issue. These chapters are effective for annual periods beginning on or after January 1, 2013. Further chapters, dealing with impairment methodology and hedge accounting are still being developed. Management has not yet assessed the impact that this amendment is likely to have on the financial statements of the Company. However, it does not expect to implement the amendments until the chapters of IFRS 9 have been published and it can comprehensively assess the impact of changes.

Related Party Transactions

During the six month period ended October 31, 2011 and 2010, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

- a) Paid or accrued management fees of \$108,000 (2010 - \$117,000) to two directors of the Company; Michael Opara \$90,000 (2010- 90,000), and Matthew Chodorowicz – \$18,000 (2010- \$27,000).
- b) Accrued interest of \$23,671 (2010 - \$15,378) to a director, George Van Voorhis III \$19,310; (2010- \$15,177) and Elena Opara, a person related to the president of the Company \$4,361; (2010- \$801)

As at October 31, 2011 and January 31, 2011, due to related parties includes the following:

	October 31, 2011	January 31, 2011
Advances from a director, George Van Voorhis III of \$30,026 (2010 - \$30,026), that bears interest at an annual rate of 12%, are unsecured, and have no fixed terms of repayment. The total includes accrued interest of \$20,770 (2011 - \$16,516).	\$ 50,796	\$ 46,542
Advances net of repayment from Elena Opara, a person related to the president of the Company that bears interest at an annual rate of 18% and have no fixed terms of repayment. The advances are secured by the Company’s equity interest in its subsidiary Blue Falcon, as well as a General Security. The total includes accrued interest of \$3,791; (2010 - \$20,834).	40,824	69,258
Advances due to a director, Matthew Chodorowicz that are unsecured, non-interest bearing and have no fixed terms of repayment.	59,730	64,073
Amounts due to the President and a company controlled by the president and director, Michael Opara that are unsecured, non-interest bearing and have no fixed terms of repayment.	<u>101,207</u>	<u>94,545</u>
	<u>\$ 252,557</u>	<u>\$ 274,418</u>

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

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of October 31, 2011 other than:

- a) A legal action commenced against the Company in Ontario Superior Court of Justice by an individual alleging that he was entitled to incentive stock options to acquire 100,000 common shares of the Company at \$0.65 each and an additional 100,000 common shares at \$1.14 each until May 2006. The claim seeks damages of \$500,000. The Company disputes this claim and has filed a defence in the action, denying all allegations.
- b) A legal action commenced by a company that assisted in constructing roads for the Company at its Titan project in Flett and Angus Township in Ontario. The amount of the claim is for \$106,782, plus accrued interest. While the Company has accrued the principal amount of the work invoices in its financial statements for the year ended January 31, 2006 the Company disputes the total amount that was charged and the quality of the work provided and has filed a defence in this action.
- c) Litigation that the Company has undertaken to register its interest in the Milner Van Hise property in Ontario, although this property has been written off during a prior fiscal year.
- d) On July 12, 2007, the Company completed a private placement of 769,230 flow-through units at a price of \$0.65 per unit for gross proceeds of \$500,000. As at October 31, 2008, the Company had an obligation to make flow-through expenditures of \$420,000 by December 31, 2008, which obligation, the Company will not be able to fulfill. The Company has recorded Part XII.6 tax of \$22,050 with respect to unexpended expenditures for the 9 months ended October 31, 2008. The Company will incur additional Part XII.6 tax of approximately \$7,500 for the 3 months ended January 31, 2009 and a 10% penalty of approximately \$42,000 with respect to unexpended expenditures as at January 31, 2009. In addition, the Company provided an indemnity to the subscriber of the flow-through units for any income tax assessments related to the Company's failure to make the required flow-through expenditures. Based on a combined marginal personal federal and provincial tax rate of 46%, the amount of the amount payable pursuant to the indemnity would be approximately \$193,000.

Additional Disclosure for Venture Issuers without Significant Revenue

The following table sets forth a breakdown of material components of capitalized exploration and development costs:

2011	Blue Falcon Property	McClintock & Livingston Townships	Flett & Angus Townships	Victory Strike	Total
Acquisition costs					
Balance, beginning and end of year	\$ -	\$ -	\$ 117,000	\$ -	\$ 117,000
Exploration costs					
Field expenses	-	-	2,969	-	2,969
Travel	-	-	-	-	-
Additions in year:	-	-	2,969	-	2,969
Balance, beginning of year	30,000	-	233,000	-	263,000
Option payment	-	-	(114,742)	-	(114,742)
Balance, end of year	30,000	-	121,227	-	151,227
Total costs	\$ 30,000	\$ -	\$ 238,227	\$ -	\$ 268,227

Disclosure of Outstanding Share Data

As of October 31 2011, the Company had 28,273,940 common shares issued and outstanding and the following stock options and warrants to acquire common shares were outstanding:

	Number of Shares	Exercise Price	Expiry Date
Options	1,150,000	\$0.10	May 20, 2013
	1,150,000	\$0.10	November 3, 2011
Warrants	4,400,000	\$0.10	May 20 2012
	50,000	\$0.10	May 20, 2012