ROCKEX MINING CORPORATION

(FORMERLY ENVIROPAVE INTERNATIONAL LTD.)
(a development stage company)

MANAGEMENT DISCUSSION AND ANALYSIS
of
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the six-month period ended June 30, 2011

*This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Rockex Mining Corporation. ("**Rockex**" or the "**Corporation**") for the six months ended June 30, 2011 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Previously, the Corporation prepared its interim and annual consolidated financial statements in accordance with Canadian generally accepted accounting principles ("**Canadian GAAP**"). The Corporation's 2010 comparatives in this MD&A have been presented in accordance with IFRS. As the Corporation's IFRS transition date was January 1, 2010, 2009 comparative information included in this MD&A has not been restated. This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of August 3, 2011.*

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ROCKEX MINING CORPORATION
Management Discussion and Analysis
For the six-month period ended June 30, 2011

1. Date

This Management Discussion and Analysis ("**MD&A**") of Rockex Mining Corporation (the "**Corporation**") covers the six-month period ended June 30, 2011 and was prepared on August 3, 2011.

2. General

This MD&A provides analysis of the Corporation's financial results for the six-month period ended June 30, 2011 and should be read in conjunction with all recent press releases and the unaudited condensed consolidated interim financial statements and notes thereto for the six-month period ended June 30, 2011 and the Corporation's audited consolidated financial statements for the year ended December 31, 2010.

The following discussion of the financial condition and results of operations of the Corporation constitutes management's review of the factors that affected the Corporation's financial and operating performance for the six-month period ended June 30, 2011.

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars and all financial information (as derived from the Corporation's financial statements) has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), including comparative figures. The consolidated financial statements for the year ended December 31, 2010 have been prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**"). Note 17 to the unaudited condensed consolidated interim financial statements presents the IFRS adjustments made to equity and other comprehensive income following the transition to IFRS.

Management is responsible for the preparation of the unaudited condensed consolidated interim financial statements and other financial information relating to the Corporation included in this MD&A. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board of Directors has appointed an Audit Committee composed of three directors, all of whom are independent and not members of management. The Audit Committee meets with management and the auditors in order to discuss results of operations and the financial condition of the Corporation prior to making recommendations and submitting the financial statements to the Board of Directors for its consideration and approval for communication to shareholders. On the recommendation of the Audit Committee, the Board of Directors has approved the Corporation's unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2011.

References to "**Rockex**" or to the "**Corporation**" refer to Rockex Mining Corporation and its subsidiary, Rockex Limited, unless the context otherwise requires.

This MD&A contains forward-looking statements. For example, statements about the adequacy of the Corporation's cash resources or the need for future financing are forward-looking statements. All forward-looking statements, including forward-looking statements not specifically identified in this paragraph, are made subject to the cautionary language at the end of this MD&A and readers are directed to refer to that cautionary language when reading any forward-looking statements.

3. Nature of the Corporation's Business

The Corporation was initially conceived as a junior capital pool corporation pursuant to the policies of the Alberta Stock Exchange. As such, the Corporation had not conducted operations of any kind and did not own any assets, other than cash and cash equivalents up to and including December 31, 2010. The principal business of the Corporation up to and including December 31, 2010 was to identify and evaluate assets or businesses with a view to completing a transaction to acquire a business and to achieve a listing of the Corporation's common shares on a Canadian stock exchange.

In October 2010, the Corporation identified such a transaction – namely, a business combination with Rockex Limited, a mineral exploration company with assets in northwestern Ontario - and signed a letter of intent to proceed. The transaction was completed effective January 1, 2011. See the "*Amalgamation*" section below.

On completion of the business combination, the Corporation became a mineral exploration company.

Rockex is now a mineral exploration company focussed on the exploration and development of the iron ore potential of its 100%-owned exploration properties in northwestern Ontario around the Lake St. Joseph area about 300 kilometres north of Thunder Bay, Ontario.

In December 2010, Rockex Limited received a National Instrument ("**NI**") 43-101 Mineral Resources Estimate (the "**Mineral Resources**") for the Eagle Island deposit (the "**Eagle Island Deposit**") in its 100%-owned Western Lake St. Joseph Iron Ore Project concluding that, at an 18% Soluble Iron cut-off grade, there are Indicated Mineral Resources of 590,847,000 tonnes grading 28.84% Fe and Inferred Mineral Resources of 415,757,000 tonnes grading 29.47% Fe in the Eagle Island Deposit (*see press release dated February 3, 2011 and related Technical Report filed on SEDAR*).

4. Recent Events

Amalgamation

Effective January 1, 2011, the Corporation completed a business combination with Rockex Limited ("**Old Rockex**") pursuant to a "three cornered" amalgamation (the "**Amalgamation**") involving the Corporation, Old Rockex and 1837427 Ontario Inc. ("**Subco**"), a wholly-owned subsidiary of the Corporation. The Corporation acquired all of the issued and outstanding shares of Old Rockex which amalgamated with Subco to form a new amalgamated corporation which is a wholly-owned subsidiary of the Corporation and is also called Rockex Limited. In connection with the Amalgamation, the Corporation issued one common share of the Corporation for each one common share of Old Rockex previously held by the shareholders of Old Rockex. The Corporation also paid a finder's fee to two arm's length finders in connection with the business combination equal to 130,000 common shares. Following the business combination, the Corporation had 43,542,029 common shares outstanding, 197,266 finder's warrants (each such warrant entitling the holder to purchase one common share for $0.90 on or before June 30, 2012), 63,000 purchase warrants (each such warrant entitling the holder to purchase one common share for $1.15 on or before June 30, 2012), and 200,000 vested stock options (each such option entitling the holder to purchase one common share for $0.50 on or before March 31, 2011).

Private Placements

In the first quarter of 2011, the Corporation successfully completed a non-brokered private placement of units (each, a "**Unit**") and flow-through common shares (each, a "**FT Common Share**"). The first tranche, completed February 3, 2011, was comprised of 1,163,111 Units at a price of $0.90 per Unit and 111,000 FT Common Shares at a price of $0.90 per FT Common Share for aggregate proceeds of $1,146,700. The second tranche, completed February 4, 2011, was comprised of 448,000 Units at a price of $0.90 per Unit and 168,000 FT Common Shares at a price of $0.90 per FT Common Share for aggregate gross proceeds of $554,400. Combined, the Corporation issued 1,611,111 Units and 279,000 FT Common Shares for aggregate gross proceeds of $1,701,100 in the two tranches of the private placement (the

“**Offering**”). Each Unit was comprised of one common share of the Corporation and one purchase warrant (a “**Warrant**”). Each whole Warrant entitles the holder to purchase one common share at a price of $1.15 at any time prior to the earlier of (i) August 3, 2012 and (ii) 30 days after notice from the Corporation if the common shares have traded on the Toronto Stock Exchange (“**TSX**”) with a weighted average price at or above $1.50 for 20 consecutive trading days occurring more than 4 months after the closing date.

TSX Listing

Effective March 7, 2011, the Corporation’s common shares were listed and posted for trading on the TSX. The common shares of the Corporation trade under the symbol “**RXM**”.

New Directors

During the first quarter of 2011, the Corporation significantly strengthened its Board of Directors with the addition of two additional members – Bruce Reid and Armando Plastino.

Bruce Reid is currently the Chief Executive Officer and a Director of Carlisle Goldfields Limited and has served as the Chief Executive Officer and a Director of U.S. Silver Corporation from mid-2006 to November 2008. Mr. Reid has over thirty (30) years of experience in the mining and mining financing industries. Prior to joining U.S. Silver Corporation, he was the Vice President of Mining Investment Banking at Research Capital Corporation, a full service securities dealer in Toronto, Ontario. Mr. Reid has been a director of several mining and exploration companies and has also worked as an exploration geologist at numerous projects in northern Canada following graduation from the University of Toronto with a B.Sc. in geology (1979). Mr. Reid also has a finance degree from the University of Windsor (1982).

Armando Plastino recently retired as the Chief Executive Officer of Essar Global’s Canadian subsidiary, Essar Steel Algoma Inc. in Sault Ste Marie, Ontario, after a career spanning nearly 39 years. Mr. Plastino was Chief Executive Officer of Essar Steel Algoma Inc. from April 2009 until his retirement in December 2010. Previously, he was Chief Operating Officer (from April 2008 until April 2009) and Vice President Operations (from March 2001 until April 2008). He will be continuing as a director of Essar Steel Algoma Inc. He is a 1972 graduate of Ryerson University in Toronto, Ontario.

Stock Options

On March 14, 2011, the board of directors of the Corporation approved the grant of options, pursuant to its stock option plan, to the directors, officers and certain consultants of the Corporation to purchase a total of 3,285,000 common shares of the Corporation at an exercise price of $1.00 per share. The options vested immediately and have a term of five years subject to earlier termination in accordance with the Corporation’s stock option plan.

On May 24, 2011, the board of directors of the Corporation approved the grant of options, pursuant to its stock option plan, to a new officer of the Corporation to purchase a total of 250,000 common shares of the Corporation at an exercise price of $0.60 per share. 50,000 options vested immediately and 50,000 options vest each three months after the date of grant. All options have a term of five years subject to earlier termination in accordance with the Corporation’s stock option plan.

Continuance of the Corporation to Ontario

Effective January 24, 2011, the Corporation continued as an Ontario corporation subject to the provisions of the *Business Corporations Act* (Ontario). The Corporation was formerly named Enviropave International Ltd. (until December 20, 2010) and was subject to the provisions of the *Business Corporation Act* (Alberta). The change of name and continuance into Ontario were part of the reorganization of the Corporation which included the reverse take-over of the Corporation by the shareholders of Rockex Limited effective January 1, 2011.

Other Management Additions

Effective February 28, 2011, Donald A. Sheldon was appointed Chief Executive Officer of the Corporation. Mr. Sheldon is also the Executive Officer of Sheldon Huxtable Professional Corporation (a law firm) and he has been advising mining company clients for over 30 years on a wide array of legal issues, including issues relating to corporate finance, mergers and acquisitions, securities law, corporate governance and regulatory compliance. Mr. Sheldon received a B.A.Sc. in 1970 and an M.A.Sc. in 1972 from the University of Toronto, as well as an LL.B from the Osgoode Hall School of Law in 1974. He is licensed to practise law in Ontario and Alberta. He has also been a professional engineer since 1973. He is currently a director of Champion Minerals Inc. (a TSX listed mineral exploration company), a director and Chief Executive Officer of Metalcorp Limited (a TSXV listed mineral exploration company), a director and Chief Administrative Officer of Carlisle Goldfields Limited (a TSX listed mineral exploration company), a director of Crown Gold Corporation (a TSXV listed company) and a director of GoldTrain Resources Inc. (a CNSX listed mineral exploration company).

The Corporation also appointed Michael Borovec as Vice-President Investor Relations to assume full-time activities at the Corporation's Toronto offices in June 2011. Mr. Borovec obtained a B.A. from York University in 2005 after receiving a diploma in business management from Humber College in 1999. Until recently, he was an investor relations consultant to TSXV listed Simba Energy Inc. and prior thereto was an investor relations representative for another TSXV listed company, Pyramid Petroleum, Houston, Texas. Prior to those positions, Mr. Borovec was an investor relations account manager for CHF Investor Relations in Toronto.

5. Outlook and Strategy

With its reverse take-over transaction and TSX listing completed, Rockex is moving forward with various studies, exploration activities and other initiatives to advance its various iron projects in the Lake St. Joseph area.

Preliminary Economic Assessment

The Corporation is nearing the completion of a preliminary economic assessment of the Eagle Island Deposit. Having undertaken an internal study and been encouraged by the results, Rockex has engaged independent qualified professionals to complete an independent economic analysis of the potential viability of the mineral resources at the Eagle Island Deposit for development. The preliminary economic assessment should assess the capital and operating costs of starting up mining operations at the site, as well as helping to define the additional exploration and development drilling, testing and other studies that need to be completed to progress toward a preliminary feasibility study and a feasibility study.

Regional Economic Impact Study

The Corporation has initiated the preparation of an economic impact study on its Eagle Island Deposit. Rockex' plans on which the study is to be based contemplate an iron mine producing 20 million tonnes of iron ore per year and a processing plant which produces approximately 5 million tonnes of iron concentrate with a grade of 65–67% iron. The economic impact measurements would include the annual overall economic impact on the region, the annual number of direct and indirect jobs created in the region and the overall tax impact including property, income and sales taxes.

Community Relations

The Corporation continues to maintain and expand its community relations programs based on effective communication and support for local initiatives. The Corporation's representatives have had meetings with various local communities around the Lake St. Joseph area, including meetings with Chiefs, Council members, consultants and other advisors of various First Nations, and the Corporation will be continuing and further developing these positive working relationships.

Airborne Geophysical Studies

Rockex completed airborne geophysical surveys over some of its Lake St. Joseph projects to better delineate the magnetic signature of particular mineralized deposits in order to assist the Corporation in defining the extensions and other characteristics of the deposits. The results of such geophysical surveys will help the Corporation to prioritize and design future drilling programs at its Eagle Island Deposit and other projects at Lake St. Joseph. Rockex anticipates that it could take two or three months to process the data received from the completed airborne data-collection surveys.

Metallurgical Studies

The Corporation is planning to recover some mineralized material from the Eagle Island Deposit in order to conduct some metallurgical tests on the material using current laboratory techniques and methods to confirm and, if possible, improve upon the historical reports completed for prior owners of the Western Lake St. Joseph property. Historical tests were reported to have been successful in producing commercial grade concentrates with 65-67% iron with overall iron recoveries to concentrate of 85%. *The historical test work was completed prior to the implementation of NI 43-101 and, accordingly, cannot be relied upon.*

6. Mineral Properties

Through the recently completed business combination with Rockex Limited, the Corporation has acquired some mineral exploration properties in northwestern Ontario. Rockex Limited has a 100% direct interest in the Western Lake St. Joseph Iron Project, consisting of 23 contiguous mining claims covering a nominal area of approximately 5,392 hectares located approximately 100 kilometres northeast of Sioux Lookout and 80 kilometres south-southwest of Pickle Lake. In December 2010, Rockex Limited received a NI 43-101 Mineral Resources Estimate for its Eagle Island Deposit in its 100%-owned Western Lake St. Joseph Iron Ore Project concluding that, at an 18% Soluble Iron cut-off grade, there are Indicated Mineral Resources of 590,847,000 tonnes grading 28.84% Fe and Inferred Mineral Resources of 415,757,000 tonnes grading 29.47% Fe in the Eagle Island Deposit (*see press release dated February 3, 2011 and related Technical Report filed on SEDAR*). In addition, Rockex Limited holds a 100% interest in three other iron projects in relative close proximity to Rockex Limited's Western Lake St. Joseph Project: (i) East Soules Bay, a property consisting of 4 contiguous mining claims (1,024 hectares) and one mining claim (128 hectares) in and along the eastern end of Lake St. Joseph, approximately 40 kilometres east of Rockex' Western Lake St. Joseph Iron Project, (ii) the Doran Lake Property consisting of 4 contiguous mining claims (832 hectares) in and along the north shore of Doran Lake, south of Lake St. Joseph, approximately midway between the Western Lake St. Joseph Iron Project and the East Soules Bay Project and (iii) the Root Lake Project, a property consisting of 6 contiguous claims (1,408 hectares), approximately 100 kilometres north of Sioux Lookout near the central part of Lake St. Joseph.

During the first and second quarters of 2011, the Corporation continued to add to its land position. In addition to its 2010 acquisition of surface rights to 2 patented parcels covering 61.28 acres in its Western Lake St. Joseph project area, in May 2011 Rockex acquired surface rights to 8 patented parcels covering 267.83 acres and staked 1 mineral exploration claims covering the same 267.83 acres as well as 48.46 acres just north of the 8 surface properties, in its East Soules Bay project.

7. Results of Operations for the Three and Six Months Period Ended June 30, 2011 and 2010

The following table contains some selected financial information taken from the Corporation's condensed consolidated interim financial statements for the three and six-month periods ended June 30, 2011 and 2010.

	Three Months		Six Months	
For the periods ended	June 30, 2011	June 30, 2010*	June 30, 2011	June 30, 2010*
Loss and total comprehensive loss	$259,457	$115,243	$3,779,204	$277,843
Basic and diluted loss per share	$0.01	$0.00	$0.08	$0.01

Notes: * Restated to conform with IFRS.

Three Month Period Ended June 30, 2011

The Corporation relies on private equity financing for its current working capital requirements to fund its current activities.

The Corporation incurred a net loss of $259,457 or $0.01 per share for the three-month period ended June 30, 2011, compared with a net loss of $115,243 or $0.00 per share for the same period ended June 30, 2010.

The Corporation had share-based compensation of $14,746 for the three-month period ended June 30, 2011, compared to $nil for the same period in 2010. Stock-based compensation expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model. The Corporation issued 250,000 stock options (of which 50,000 vested immediately) during the three-month period ended June 30, 2011 compared to nil stock options for the same period in 2010.

For the three-month period ended June 30, 2011, management and consulting fees were $54,075 compared to $54,597 in the same period in 2010.

Total general and administrative costs increased in the three-month period ended June 30, 2011, by $24,716 to $47,877 from $23,161 in the same period in 2010. The increase is attributable to increased insurance costs and higher office and general costs as a result of increasing the number of staff members and office space.

Professional fees increased by $75,460 to $112,107 during the three-month period ended June 30, 2011 compared to $36,647 in the same period in 2010. The increase is attributable to higher legal fees on general corporate matters during 2011.

Six Month Period Ended June 30, 2011

The Corporation incurred a net loss of $3,779,204 or $0.08 per share for the six-month period ended June 30, 2011, compared with a net loss of $277,843 or $0.01 per share for the same period ended June 30, 2010.

The Corporation had share-based compensation of $2,169,389 for the six-month period ended June 30, 2011, compared to $79,965 for the same period in 2010. Stock-based compensation expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model. The Corporation issued 3,575,000 stock options (of which 3,375,000 vested immediately) during the six-month period ended June 30, 2011 compared to 400,000 stock options (of which 200,000 vested immediately) for the same period in 2010.

Pursuant to the “three cornered” amalgamation effective January 1, 2011 and obtaining a TSX public listing effective March 7, 2011 the following costs have been recorded as a listing expense:

	March 31, 2011
	$
Legal fees	385,387
Stock exchange listing fee	84,125
Amalgamation cost	657,595
	1,127,107

Due to obtaining the TSX public listing effective March 7, 2011 the Corporation incurred compliance and regulatory filling expenses of $39,388 (2010 - $nil).

For the six-month period ended June 30, 2011, management and consulting fees increased by $32,011 to $131,108 from $99,097in the same period in 2010. The increase is due to the fact that the Corporation has increased senior management staff.

Total general and administrative costs increased in the six-month period ended June 30, 2011, by $58,082 to $95,063 from $36,981 in the same period in 2010. The increase is attributable to increased insurance costs and higher office and general costs as a result of increasing the number of staff members and office space.

Professional fees increased by $133,120 to $189,225 during the six-month period ended June 30, 2011 compared to $56,105 in the same period in 2010. The increase is attributable to higher legal fees on general corporate matters during 2011 as the Corporation transitioned from a private corporation to a public corporation.

Promotion and investor relations expenses for the six-month period ended June 30, 2011 increased by $9,429 to $31,322 from $21,893 in the same period in 2010. The increase is due to the Corporation allocating a significant amount of the budget to promotion as it increased its investor relations activities leading up to and following its listing on the Toronto Stock Exchange.

8. Summary of Financial Position as at June 30, 2011 and 2010

The following table contains some selected financial information taken from the Corporation’s condensed consolidated interim financial statements for the six-month periods ended June 30, 2011 and 2010.

For the periods ended	**June 30, 2011**	**June 30, 2010***
Total Assets	$15,815,731	$12,467,895
Total Liabilities	$1,192,545	$130,587
Total Shareholders’ Equity	$14,623,186	$12,337,308

Notes: * Restated to conform with IFRS.

As at June 30, 2011, the Corporation had a net working capital of $2,968,389 compared to $613,029 as at June 30, 2010. The increase in working capital was due to an increase in cash as a result of a private placement net of operating expenses and flow through expenditures incurred for the six-month period ended June 30, 2011.

The Corporation has no revenue generating projects at this time. As at June 30, 2011, the Corporation had a shareholders' equity of $14,623,186 compared to $13,455,837 as at June 30, 2010. This increase was as a result of the issuance of 3,386,821 common shares ($3,028,140) through private placements during 2010 and 1,890,111 common shares ($1,701,100) through private placements during the six-month period ended June 30, 2011, reduced by the costs of operations, the business combination, stock exchange listing, exploration expenses and property acquistions.

The Corporation's continued development is contingent upon its ability to raise sufficient financing in the long term. Since November 2010, the Corporation has completed a series of private placements, share consolidations and other transactions, a summary of which is listed below, with a view to improving the Corporation's balance sheet and capital resources and enhancing the Corporation's ability to access the capital markets and its ability to raise financing in the long term:

(1) Effective January 1, 2011, the Corporation completed a business combination with Rockex Limited pursuant to which the Corporation issued securities to the former security holders of Rockex Limited to acquire all of the issued and outstanding securities of Rockex Limited – see "*Amalgamation*" above. Following the business combination, the Corporation had 43,542,029 common shares outstanding, 197,266 finder's warrants (each such warrant entitling the holder to purchase one common share for $0.90 on or before June 30, 2012), 63,000 purchase warrants (each such warrant entitling the holder to purchase one common share for $1.15 on or before June 30, 2012), and 200,000 vested stock options (each such option entitling the holder to purchase one common share for $0.50 on or before March 31, 2011).

(2) On February 3, 2011, the Corporation completed the first tranche of a non-brokered private placement consisting of the issue and sale of 1,163,111 units at a price of $0.90 per unit and 111,000 flow-through common shares at a price of $0.90 per share, for aggregate gross proceeds of $1,146,700. Each unit issued was comprised of one common share of the Corporation and one common share purchase warrant entitling the holder to purchase one additional common share at a price of $1.15 at any time prior to the earlier of (i) August 3, 2012 and (ii) 30 days after notice from the Corporation if the common shares have traded on the Toronto Stock Exchange with a weighted average price at or above $1.50 for 20 consecutive trading days occurring more than 4 months after the closing date.

On February 4, 2011, the Corporation completed the second tranche of a non-brokered private placement consisting of the issue and sale of 448,000 units at a price of $0.90 per unit and 168,000 flow-through common shares at a price of $0.90 per share, for aggregate gross proceeds of $554,400. Each unit issued was comprised of one common share of the Corporation and one common share purchase warrant entitling the holder to purchase one additional common share at a price of $1.15 at any time prior to the earlier of (i) August 3, 2012 and (ii) 30 days after notice from the Corporation if the common shares have traded on the Toronto Stock Exchange with a weighted average price at or above $1.50 for 20 consecutive trading days occurring more than 4 months after the closing date.

(3) On March 7, 2011, the Corporation's common shares commenced trading on the Toronto Stock Exchange.

9. Summary of Cash Flow for the Three and Six Months Period Ended June 30, 2011 and 2010

The following table contains some selected financial information taken from the Corporation's condensed consolidated interim financial statements for the three and six-month periods ended June 30, 2011 and 2010.

	Three Months		Six Months	
For the periods ended	June 30, 2011	June 30, 2010*	June 30, 2011	June 30, 2010*
Cash flows from:	$	$	$	$
Operating activities	(322,601)	(139,795)	(935,034)	(276,879)
Investing activities	(467,597)	(112,654)	(538,785)	(283,168)
Financing activities	-	-	1,714,100	-
Total increase (decrease) in cash and cash equivalents during the period	(790,198)	(252,449)	240,281	(560,047)

Notes: * Restated to conform with IFRS.

Three Month Period Ended June 30, 2011

Operating Activities
Cash flow used by operating activities increased by $182,806 during the three-months ended June 30, 2011 to $322,601 compared to $139,795 during the same period in 2010 due to increased operating activities and the timing of the recognition of receivable and payable for the three-month period ended June 30, 2011.

Investing Activities
Cash flow used by investing activities increased by $354,943 during the three-months ended June 30, 2011 to $467,597 compared to $112,654 during the same period in 2010 due to an increase in evaluation and exploration expenditures. The Corporations increased its land position (see Section 6 of the MD&A) causing an increase in Exploration and Evaluation assets.

Financing Activities
There were no financing activities in 2011 and 2010.

Six Month Period Ended June 30, 2011

Operating Activities
Cash flow used by operating activities increased by $658,155 during the six-months ended June 30, 2011 to $935,034 compared to $276,879 during the same period in 2010 due to increased operating activities in all categories for the six-month period ended June 30, 2011.

Investing Activities
Cash flow used by investing activities increased by $255,617 during the six-months ended June 30, 2011 to $538,785 compared to $283,168 during the same period in 2010 due to an increase in evaluation and exploration expenditures. The Corporations increased its land position (see Section 6 of the MD&A) causing an increase in Exploration and Evaluation assets.

Financing Activities
During the six-months ended June 30, 2011, cash flow provided in financing activities was $1,714,100 mainly due to the proceeds received from private placements. There were no financing activities in the same period in 2010.

10. Summary of Quarterly Results

Following are the highlights of financial data of the Corporation for the most recently completed eight quarters which have been derived from the Corporation's financial statements prepared in accordance with Canadian generally accepted accounting principles except for the four quarters of 2010 and the first two quarters of 2011 which are presented under IFRS:

	2011		2010				2009	
	Q2 (IFRS)	Q1 (IFRS)	Q4 (IFRS)	Q3 (IFRS)	Q2 (IFRS)	Q1 (IFRS)	Q4 (GAAP)	Q3 (GAAP)
	$	$	$	$	$	$	$	$
Loss and total comprehensive loss	259,457	3,519,747	384,633	119,390	115,243	162,600	(65,665)	21,746
Basic and diluted loss per share	0.01	0.08	0.01	0.00	0.00	0.00	0.00	0.00
Total Assets	15,815,731	16,219,662	15,252,754	12,361,422	12,467,895	12,547,081	14,116,674	13,175,158
Total Liabilities	1,192,545	1,351,765	662,035	257,016	130,587	284,531	633,762	725,450
Total Shareholders' Equity	14,623,186	14,867,897	14,590,719	12,104,406	12,337,308	12,262,550	13,482,912	12,449,708

11. Explanation of Material Variations by Quarter for the Last Eight Quarters

As previously mentioned, prior to December 31, 2010 the Corporation was relatively inactive and, as a result, there were no major fluctuations in the previous quarter with the exception of the following: (i) write down of mineral properties in Q1 of 2010 due to the application of IFRS and the abandonment of a property under option, (ii) total assets increased in Q4 of 2010 and Q1 of 2011 due private equity financing, (iii) total liabilities decreased in Q1 of 2010 due to obtaining cash through a private equity financing in Q4 of 2009 being applied to outstanding liabilities, (iv) total liabilities in Q1 of 2011 increased due to adjustment to future income taxes as a result of applying IFRS, (v) total shareholders' equity increased in Q4 of 2010 and Q1 of 2011 due private equity financing and (vi) loss and total comprehensive loss of Q1 2011 was substantially higher than any other quarter as the Corporation became a public company during this period trading on the TSX resulting in a one time listing fee expense of $1,127,107 as well as the issuance of stock options in Q1 of 2011 resulting in stock-based compensation expense of $2,169,389.

12. Off-Balance Sheet Arrangements

The Corporation has not participated in any off-balance sheet or income statement arrangements.

13. Transactions with Related Parties

Certain corporate entities that are related to the Corporation's officers and directors provide consulting services to Rockex. Transactions were conducted in the normal course of operations and are measured at the exchange amounts.

The following is a summary of the Corporation's related party transactions during the period:

a) Legal Fees

Legal fees of $107,138, incurred in connection with the Corporation's financings as well as general corporate matters and legal fees of $187,487 incurred in connection with the Corporation's TSX listing (six months ended June 30, 2010: $46,850) were paid to a law firm of which one officer, director and shareholder is a director of the Corporation. At June 30, 2011, $59,020 (January 1, 2010: $nil, December 31, 2010: $298,325) owing to this legal firm was included in accounts payable.

b) Rental Payments

Rental payments of $15,672 (six months ended June 30, 2010: $10,200) were paid to a company which is controlled by a director of the Corporation. At June 30, 2011, $nil (January 1,2010: $nil, December 31, 2010: $nil) owing was included in accounts payable.

c) Key Management Compensation

Key management personnel compensation comprised:

	June 30, 2011	June 30, 2010
	$	$
Management and consulting fees	147,983	98,500
Share-based payments (stock options)	1,185,842	79,965
	1,333,825	178,465

At June 30, 2011, $39,550 (January 1,2010: $nil, December 31, 2010: $265,013) owing was included in accounts payable.

d) Exploration Expenditures

Explorations expenditures of $171,801 (six months ended June 30, 2010: $132,553) incurred in connection with the Corporation’s expenditure activities were paid to two companies controlled by directors of the Corporation. At June 30, 2011, $142,912 (January 1, 2010: $nil, December 31, 2010: $91,864) owing was included in accounts payable.

14. Internal Control and Procedures

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Following completion of the Amalgamation and management changes relating to that business combination, there were no changes in the Corporation's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management of the Corporation, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers'

Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

15. Status of Rockex's Transition to International Financial Reporting Standards ("IFRS")

Transition to IFRS from GAAP

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("**IFRS**") for financial periods beginning on and after January 1, 2011. The Corporation has adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010.

IFRS Conversion

The Corporation's IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion was understood and managed reasonably, the CFO attended several training courses on the adoption and implementation of IFRS. Through in-depth training and the preparation of reconciliations of historical Canadian GAAP financial statements to IFRS, the Corporation believes that its accounting personnel have obtained the necessary understanding of IFRS. In conjunction with the adoption of IFRS, the Corporation has implemented a new accounting system, which will satisfy all information needs of the Corporation under IFRS. The Corporation has also reviewed its current internal and disclosure control processes and concluded that they did not need significant modification as a result of the conversion to IFRS.

Impact of IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP; however, significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS did not change the actual cash flows of the Corporation, the adoption resulted in changes to the reported financial position and results of operations of the Corporation. In order to allow the users of the financial statements to better understand these changes, the Corporation has provided reconciliations between Canadian GAAP and IFRS for the total assets, total liabilities, shareholders' equity, cash flows and net loss in Note 17 to the interim consolidated financial statements. The adoption of IFRS has had no significant impact on the net cash flows of the Corporation. The changes made to the statements of financial position and comprehensive income have resulted in reclassifications of various amounts on the statements of cash flows; however, as there has been no change to the net cash flows, no reconciliations have been presented.

In preparing the reconciliations, the Corporation applied the principles and elections of IFRS 1, with a transition date of January 1, 2010. As the Corporation has adopted IFRS effective January 1, 2010, the Corporation has applied the provisions of IFRS 1 as described under the section entitled "Initial Adoption – IFRS 1", with a January 1, 2010 transition date. The Corporation will also apply IFRS standards in effect at December 31, 2011 as required by IFRS 1.

Note 17 in the condensed consolidated interim financial statements for the three-month period ended March 31, 2011 provides detailed explanations of the key Canadian GAAP to IFRS differences for the Corporation on transition with the significant ones summarized below:

a) Acquisition, exploration and evaluation expenditures

Transition Impact – As at the transition date, January 1, 2010, the Corporation decreased exploration and evaluation assets by $1,441,283 for expenditures incurred before the Corporation had obtained the legal rights to the property as per IFRS 6. The Corporation has elected to continue to capitalize exploration and evaluation activities that are directly related to the discovery, acquisition or development of exploration and evaluation assets upon transition to IFRS. Future income taxes have been correspondingly adjusted to reflect the above changes.

b) Share-based Compensation

Transition Impact – As at the transition date, January 1, 2010, the Corporation had no share-based compensation, resulting in no adjustment. As at June 30, 2010, the Corporation had share-based payments requiring a forfeiture adjustment of $10,794. As at December 31, 2010, the Corporation estimated forfeitures as required by IFRS.

c) Flow-through Shares

Transition Impact – As at the transition date, January 1, 2010, a premium on the issuance on flow-through shares has resulted in the recording of a liability shown in 'accounts payable and accrued liabilities. As at June 30, 2010, the liability decreased by $19,198 resulting in a balance of $28,797. As at December 31, 2010, the entire liability was reversed and recognized in 'other income', as expenditures had been fully incurred.

d) Equity Reserves

Transition Impact – In 2010, due to the impact of IFRS share capital decreased by $47,995, share-based payment reserve decreased by $10,794 and deficit decreased by $1,059,739.

<u>Initial Adoption of International Accounting Standards</u>
IFRS 1 ''First Time Adoption of International Accounting Standards'' sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional date of the statement of financial position with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. The Corporation elected to take the following IFRS 1 optional exemptions:

- to apply the requirements of IFRS 2, *Share-based payments*, only to equity instruments granted after November 7, 2002 which had not vested as of the transition date.

<u>Comparative Information</u>

The Corporation has restated all periods from January 1, 2010 onwards in accordance with IFRS.

<u>16. Business Activities and Key Performance Measures</u>

The Corporation assessed the impact of transition to IFRS on business activities and key performance measures and found no significant impact.

<u>17. Information Technology Systems</u>

The IFRS transition project did not have a significant impact on the Corporation's information technologies systems for the conversion periods.

18. Critical Accounting Policies, Estimates and Judgments

As the Corporation prepared its financial statements for the first and second quarters of 2011, the first using IFRS, certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that are not included in the Corporation's most recent annual financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") have been included in the interim financial statements of the first and second quarters of 2011 for the comparative periods.

The condensed consolidated interim financial statements of the first and second quarters of 2011 should be read in conjunction with the Corporation's 2010 annual financial statements prepared in accordance with Canadian GAAP and in consideration of the IFRS transition disclosures included in Note 17 to the condensed consolidated interim financial statements of the second quarter of 2011 and the additional annual disclosures included therein, including the Significant Accounting Policies disclosures in Note 3.

The Corporation makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below:

i) Exploration and Evaluation Expenditure

The application of the Corporation's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Corporation, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss of the period in which the new information becomes available.

ii) Title to Mineral Property Interests

Although the Corporation has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Corporation's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects and claims of third parties and aboriginal peoples.

iii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities and contingencies for anticipated tax audit issues based on the Corporation's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Corporation records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters;

however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Corporation recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

iv) Share-based Payment Transactions

The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 11 of the condensed consolidated interim financial statements.

Recent Accounting Pronouncements

IFRS 9, Financial Instruments. This standard is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The standard is the first part of a multi-phase project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. The Corporation has not early-adopted the standard and is currently assessing the impact that the standard will have on the Corporation's financial statements.

IFRS 13, Fair Value Measurements. This standard defines fair value, sets out in a single IFRS framework for measuring value and requires disclosure about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted. The Corporation is currently evaluating the impact of this standard on its financial statements.

19. Financial Instruments

The Corporation's financial instruments consist of cash and accounts payable, and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest or credit risks arising from the financial instruments. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted.

Currently, the Corporation's operations are all conducted in Canada, and therefore there is low risk of political or social disruptions.

In conducting business, the principal risks and uncertainties faced by the Corporation center around resource properties and the Corporation's efforts to explore and develop those properties. There is no assurance of the Corporation's ability to maintain and develop such properties. The Corporation relies on equity financing for its working capital requirements and to fund its future exploration programs. It does not currently have sufficient funds to explore or develop the properties held by Rockex Limited. There is no assurance that the Corporation will be able to raise such funds, through equity or debt financing or through entering into joint venture arrangements with other parties.

20. Share Data

The Corporation is authorized to issue an unlimited number of common voting shares without par value, an unlimited number of first preferred shares, an unlimited number of second preferred shares and an unlimited number of special shares issuable in series.

As at June 30, 2011, the Corporation had 45,632,140 common shares outstanding, together with 1,990,258 warrants and 3,375,000 vested stock options.

21. Risk and Uncertainties

Nature of Mineral Exploration and Mining

At the present time, the Corporation does not hold any interest in a mining property in production. The Corporation's viability and potential for success lie in its ability to develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Corporation has an interest will result in a profitable commercial mining operation.

The operations of the Corporation are subject to all of the hazards and risks normally incidental to the exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Corporation may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Corporation has interests. Hazards, such as unusual or unexpected formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Corporation cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Corporation and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

No Significant Revenues

To date, the Corporation has not recorded any revenues, other than interest income and it has no dividend record. The Corporation has not commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Corporation will be profitable in the future. The Corporation's operating expenses and capital expenditures will increase in subsequent years as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of the Corporation's properties increase. The Corporation expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Corporation's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Corporation will generate any revenues or achieve profitability.

Financing Risks

The Corporation has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Corporation with the possible dilution or loss of such interests.

Current Global Financial Condition

Current global financial conditions have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing was negatively impacted by both the rapid decline in value of sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. Although time has passed since these events, the markets remain volatile and uncertain and these factors may impact the ability of the Corporation to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted, the trading price of its common shares may be adversely affected and its access to capital also adversely affected.

Dilution and Future Sales of Common Shares

The Corporation may issue additional shares in the future, which would dilute a shareholder's holdings in the Corporation. The Corporation's articles permit, among other things, the issuance of an unlimited number of common shares.

Going Concern

Values attributed to the Corporation’s assets may not be realizable. The Corporation has a limited history and its ability to continue as a going concern depends upon a number of significant variables. The amounts attributed to the Corporation’s exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value. Further, the Corporation has no proven history of performance, revenues, earnings or success. As such, the Corporation’s ability to continue as a going concern is dependent upon the existence of economically recoverable resources, the ability of the Corporation to obtain the necessary financing to complete the development of its interests and future profitable production or, alternatively, upon the Corporation's ability to dispose of its interests on a profitable basis.

Dependence on Key Personnel

The Corporation is dependent on a relatively small number of key employees or consultants, the loss of any of whom could have an adverse effect on its operations. The Corporation currently does not have key person insurance on these individuals.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Corporation has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Corporation or a subsidiary where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interests of the Corporation in any of its properties may not be challenged or impugned by government decisions, third parties or aboriginal peoples.

Permits and Licences

The operations of the Corporation require licences and permits from various governmental authorities. The Corporation believes that it presently holds all necessary licences and permits required to carry on with activities which it is currently conducting under applicable laws and regulations and the Corporation believes it is presently complying in all material respects with the terms of such licences and permits. However, such licences and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations at its projects.

Fluctuating Prices

Factors beyond the control of the Corporation may affect the marketability of any iron ore or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

Estimates of Mineral Resources

Although inferred minerals resource estimates included in the Corporation’s filings on SEDAR have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of mineral resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to mineral resources, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral resources are reported as general indicators of mine life. Mineral resources should not be interpreted as assurances of potential mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and corresponding grades. Until ore is actually mined and processed, mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on mineral prices. Any material change in resources or mineral resources, or grades or stripping ratios will affect the economic viability of the Corporation’s projects.

The Corporation’s Activities are Subject to Extensive Governmental Regulation

Exploration, development and mining of minerals are subject to extensive federal, provincial and local laws and regulations governing acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters.

Environmental Regulations

The operations of the Corporation are subject to environmental regulations promulgated 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 of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Corporation's operations are subject to environmental regulation primarily by the Ministry of the Environment (Ontario). In addition, the Department of Fisheries & Oceans (Canada) and the Department of the Environment (Canada) have an enforcement role in the event of environmental incidents.

Conflicts of Interest

The directors and officers of the Corporation may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation. In the event that such a conflict of interest arises at a meeting of the directors of the Corporation, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest, to withdraw from meetings where such matters are discussed and to abstain from voting on the matter.

Joint Ventures and Option Agreements

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also be the case that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. In some of those arrangements, failure of a participant to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated. The Corporation may enter into option agreements and joint ventures as a means of gaining property interests or raising funds. Any failure of any option or joint venture partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on such agreements. In addition, the Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Corporation, in the search for and acquisition of attractive mineral properties. The ability of the Corporation to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Infrastructure

Some of the Corporation's properties are located at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure such as roads, railroads, electrical and gas transmission lines, which could add to time and cost required for mine development. Similarly, some of the Corporation's mineral deposits are located near or under lakes, which could require the construction of dams, dykes and other systems or the construction of underground mining facilities, which could add to time and cost required for mine development.

Fluctuating Prices

Factors beyond the control of the Corporation may affect the marketability of any iron or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control. The effect of these factors cannot accurately be predicted. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

22. Corporate Governance

The Corporation's Board of Directors follows accepted corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The Audit Committee of the Corporation fulfils its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three independent directors, meets with management and the external auditors of the Corporation on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters.

23. Caution regarding Forward-looking Statements

Certain information regarding the Corporation within this MD&A may include "**forward-looking statements**" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Corporation's business, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "**estimate**", "**plan**", "**anticipate**", "**expect**", "**intend**", "**believe**", "**will**", "**may**", "**would**", "**should**", "**could**" and similar expressions are intended to identify forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that may cause actual results in the future to differ materially from those anticipated in the forward-looking statements. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially (see, in particular, the "*Risks and Uncertainties*" section above), there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Without limiting the generality of the foregoing, the section above entitled "*Recent Events and Outlook*" contains some forward-looking statements with respect to opportunities for the Corporation to add value to its assets. Except as required by continuous disclosure obligations (specifically section 5.8(2) of National Instrument 51-102 "**Continuous Disclosure Obligations**"), the Corporation does not intend, nor does it undertake, any obligation, to update or revise any forward-looking statements to reflect subsequent information, events, results, circumstances or otherwise.

24. Approval

The MD&A was reviewed and approved by the Board of Directors of the Corporation and is effective as of August 3, 2011.

25. Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com.