MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED APRIL 30, 2012 AND 2011

June 28, 2012

Management's discussion and analysis (MD&A) is current to June 28, 2012 and is management's assessment of the operations and the financial results together with future prospects of Lakeside Minerals Inc. ("Lakeside", "Corporation", or the "Company"). This MD&A should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes for the three months ended April 30, 2012 and 2011 and our consolidated financial statements and related notes for the years ending January 31, 2012 and 2011, prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Lakeside's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A.

Description of Business

On December 20, 2011, Grasslands Entertainment Inc., now Lakeside Minerals Inc. completed a reverse take-over ("RTO") with Lakeside Minerals Corp. and the name change from Grasslands Entertainment Inc. to Lakeside Minerals Inc. The Company is engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company is in the process of exploring, and has not yet determined whether there are economically viable reserves on the properties it has optioned. As such, there is uncertainty with respect to the Company's ability to continue as a going concern, dependent upon such events as financing, discovery of reserves, and market demand conditions.

As at June 28, 2012, the members of Company's Board of Directors consisted of:

Mario Justino	CEO
Chris Hazelton	Chief Financial Officer
Yannis Banks	Chairman
Andres Tinajero	Director
Scott Jobin-Bevans	Director
Richard Cleath	Director
Jean-François Pelland	Director
Jean-Pierre Chauvin	Director
Jeremy Goldman	Director

The technical contents of this MD&A have been reviewed by Mr. Mario Justino B.Sc. (Hons.), M.Sc., P. Geo., a "Qualified Person" as defined in National Instrument 43-101 and an employee of the Company.

Recent Developments

Financing Developments

On March 14, 2012, the Company closed a non-brokered private placement of 1,713,079 units for gross proceeds of $222,700. The Company also issued 384,615 units priced at $0.13 to convert $50,000 worth of legal fees. Each unit, priced at $0.13, is comprised of one (1) common share and one (1) common share purchase warrant. Each warrant will entitle the holder to purchase an additional common share of the Company at a price of $0.20 for 24 months from the date of closing, subject to an acceleration clause.

The Company paid a finder's fee equal to 8% of the gross proceeds raised under the Offering and issued compensation options equal to 8% of the number of units sold under the Offering. Each compensation option is exercisable at a price of $0.13 into one common share of the Company and one warrant, exercisable at any time until 24 months from the date of closing.

Exploration Developments

On May 8, 2012, the Company announced that Lakeside Minerals Corp., a wholly-owned subsidiary of the Company, had entered into an agreement with Melkior Resources Inc. (TSX-V: MKR) ("Melkior") to acquire twenty-one (21) mineral claims adjacent to Lakeside's Launay property claim blocks located in Privat and Launay Townships, northwestern Quebec. Lakeside acquired a 100% interest in the mineral claims by issuing 750,000 common shares to Melkior and recognizing the continuance of third party net smelter royalties on the mineral claims.

About Lakeside Minerals Inc.

Lakeside Minerals Inc. is engaged, through Lakeside Minerals Corp., a wholly-owned subsidiary of the Company, in acquiring, exploring, and developing mineral properties in the mining friendly jurisdiction of Quebec. Currently the Company holds a portfolio of properties with an emphasis on gold and rare earth elements.

These properties have been grouped as follows:

1. Dufay
2. Disson
3. Launay
4. Quevillon
5. Kipawa
6. 21M16
7. Uranium 22B15 (New Claims)

Lakeside is currently focused on three key properties: Dufay, Disson, and Launay. These properties are briefly described below. Quoted historical exploration results are derived from filed assessment reports and governmental databases. The Company or a Qualified Person has not independently verified these results. These results should not be relied upon. Selected highlight results may not be indicative of average grades. Mineralization on properties adjacent to the Company's properties is not indicative of mineralization on the Company's properties.

Dufay Property - Located 30 km west-southwest of Rouyn-Noranda, Quebec, the property covers 27.45 sq km and consists of 53 contiguous claims under option agreement to 100% interest. The property is situated 4 km south of the prolific Larder Lake – Cadillac Fault, 5 km east of the historic Kerr-Addison gold mine, and 10 km southwest of the Francoeur Mine, which is under development by Richmont Mines Inc. The Dufay property is easily accessible via Highway 117.

Most of the historical exploration work on the Dufay property, including about 6100 m of drilling, dates from 1929 to 1946 and was carried out over a very limited area, close to 1.5 sq km. Much of the remaining 26 sq km of the property remains virtually unexplored.

Sulphides, mainly chalcopyrite and pyrite, occur in quartz-sulphide veins and associated stringers and stockwork. Locally, these veins are essentially massive chalcopyrite and pyrite. Disseminated sulphides, principally chalcopyrite or pyrite, occur in metasediments, in "granitic gneiss", in intrusive "granitic" units, and in shear zones. This type of mineralization is mainly reported from drill core and was largely overlooked. The extent or importance of this disseminated mineralization has not been the focus of previous exploration and remains to be systematically assessed: it has not been delineated or mapped, and has not been adequately tested for its gold or copper potential.

Known mineralization is associated with northeast-trending zones of quartz veining, brecciation, and shearing that are spread out over a width of at least 250 m. Based on geophysical maps, this zone may have a strike-length over 3 km long, most of which remains to be explored.

The property was originally drilled for copper in quartz-sulphide veins and much of the drill core was not assayed for gold. Available historical drill gold and copper assay highlights includes the following results:

- **8.82 g/t Au** over 2.2 m (true width), *which includes*
    - ***20.91 g/t Au*** *over 0.67 m, and includes*
    - ***10.29 g/t Au*** *over 0.55 m.*
- **16.00 % Cu** over 0.9 m (true width)
- **2.34 % Cu** over 2.3 m (true width)

Lakeside commissioned a NI 43-101 Technical Report on the Dufay property. The report recommended a Phase 1 exploration program in the order of $513,375 CAD. In 2011, the Company completed an airborne survey over the property as recommended in the technical report. From January to May 2012, line-cutting, outcrop stripping and sampling, mapping and prospecting, and ground geophysical surveys, including magnetic, VLF-EM, and induced polarization surveys, were carried out on the property. The Company is continuing to assess the gold and copper potential of the Dufay property.

Disson Property - Located 22 km northeast of La Sarre, Quebec, the Disson property consists of 76 non-contiguous claims that cover a total area of 32.89 sq km. Of the 76 claims, 36 claims, 10.24 sq km, are under option agreement to 100% interest and 40 claims, 22.65 sq km, are 100% owned by Lakeside. In late May 2012, the Company made application for an additional 9 claims totaling 5.04 sq km. The property is easily accessed via secondary gravel roads off Highway 111.

The Disson property straddles nearly 13 km of a major east-west deformation zone. Historical work and drilling along the eastern 3 km stretch of the deformation zone revealed a strong alteration halo some 75 m to 180 m wide and with a minimum strike length of 2.1 km. Alteration consists of dolomite + ankerite +/- fuchsite +/- pyrite. Gold occurs primarily as free gold and is locally visible in drill core.

Shallow historical drilling revealed both narrow high grade and wider lower grade gold intercepts over a strike length of at least 1.5 km. Drill highlights include:

- **44.27 g/t Au** over 4.0 m, *which includes* ***173.9*** *g/t Au over 1.0 m*
- **7.48 g/t Au** over 1.3 m
- **5.18 g/t Au** over 1.5 m
- **5.10 g/t Au** over 1.5 m
- **0.72 g/t Au** over 20.0 m

The 1.5 km long east-west zone of gold mineralization remains open at depth. Parallel east-west fault zones have not been tested. In addition, the western extension of the deformation zone remains largely unexplored.

Launay Property - Located some 48 km northeast of Rouyn-Noranda, Quebec, the property currently comprises 86 non-contiguous claims in several blocks that cover a total area of 34.10 sq km. Of the 86 claims, an initial 29 claims, 11.66 sq km, were acquired and are under option agreement to 100% interest; subsequently, 36 claims, 13.71 sq km, were map staked and are 100% owned by Lakeside; and recently, 21 claims, 8.73 sq km, were purchased and are 100% owned by Lakeside.

On April 30th, 2012, the Company entered into an agreement with Melkior Resources Inc. (TSX-V: MKR) ("Melkior") to acquire twenty-one (21) mineral claims, the Trojan and Launay South blocks, which are adjacent to Lakeside's Launay property claim blocks located in Privat and Launay Townships. Under the terms of the agreement, Lakeside acquired 100% interest in the mineral claims by issuing 750,000 common shares to Melkior and recognizing the continuance of third party net smelter royalties on the mineral claims.

The Launay property claims are situated along or in the vicinity of a major northwest-trending, over 65 km long, deformation zone. Scattered historic drilling along a 20 km stretch of this deformation zone and subsidiary faults has returned several high grade gold intersections.

Historical drilling **on properties adjacent or in proximity to the property claims** has returned the following selected highlight results:

- 347 g/t Au over 1.0 m,
- 264 g/t Au over 0.8 m,
- 96 g/t Au over 0.7 m,
- 16 g/t Au over 1.2 m.

The Launay property claims straddle greater than 10 km of the main deformation zone, splays, or subsidiary faults. Selected highlights of high grade gold intercepts from historical drilling on the newly acquired Trojan block claims include the following:

Year	ID	From (m)	To (m)	Interval (m)	Au g/t
1945	Hole 2	**53.34**	**54.41**	**1.07**	**35.64**
	includes	*53.74*	*53.89*	*0.15*	***235.20***
1945	Hole 6	**53.52**	**54.86**	**1.34**	**7.66**
	includes	*53.52*	*53.61*	*0.09*	***47.66***
1945	Hole 20	**76.96**	**79.25**	**2.29**	**7.09**
	includes	*77.72*	*78.49*	*0.76*	***17.14***
1986	PL-85-9A	**22.10**	**24.69**	**2.59**	**9.99**
	includes	*23.32*	*24.69*	*1.37*	***14.90***

Highlights from historical drilling on other Launay property claim blocks include the following:

- **416.7 g/t Au** over 0.7 m
- **10.3 g/t Au** over 4.1 m, *which includes* ***35.7 g/t Au*** *over 1.07 m*
- **7.9 g/t Au** over 0.3 m
- **5.5 g/t** Au over 0.4 m

Selected trench gold assay* highlight results on property claims include:

- **99.6 g/t Au** over 0.61 m
- **88.9 g/t Au** over 1.22 m
- **77.4 g/t Au** over 1.52 m
- **20.3 g/t Au** over 0.91 m

*(*based on a 1949 gold price of $31.69/oz)*

The Company is currently in negotiation to acquire additional claims and plans to carry out additional staking in the vicinity of the Launay property to consolidate the non-contiguous claims and to cover additional prospective ground over the main deformation zone and subsidiary faults.

Other Properties – The Company holds other properties in Quebec, namely Kipawa, Quevillon, 21M16, and New Claims. Changes to the status of these properties are as follows:

Kipawa Property - The property is located 38 km east of the town of Témiscaming, Quebec, some 170 km south of city of Rouyn-Noranda. The property originally consisted of 45 contiguous claims in one irregularly shaped block covering a total of 26.48 sq km. The property is under option agreement to 100% interest. Sufficient work has been carried out on the claims to renew 27 of the original 45 claims.

The region surrounding and generally north of the Kipawa property has seen extensive geological mapping, geochemical and geophysical surveys. Several REE, Au and U mineral showings have been discovered including the recent discovery of the Kipawa REE-Y deposit, Zeus property, by Matamec Explorations Inc. located some 5.8 km northeast of Lakeside's Kipawa property.

Lakeside's Kipawa property claims have seen limited exploration. However, a governmental regional stream sediment geochemical sampling program revealed several samples with anomalous values in Y, Au, Ce, Eu, Sm, Th and U located on Lakeside's Kipawa property claims and immediately north of the claims.

During the months of April through to November of 2011, an airborne geophysical survey and data compilation was carried out by Lakeside on the Kipawa property claims. Sufficient work has been carried out on the claims to renew 27 of the original 45 claims.

21M16 Property - As of September 2011, Management elected not to renew the 21M16 claims. The majority of these claims will expire in November 2011 and the remaining claims in April 2012.

New Claims Property - On March 31, 2011, the Company terminated the Uranium 22B15 property agreement and forfeited its option to acquire the claims. The Company received from the vendor, for consideration of $1.00, forty-four (44) claims here referred to as the "New Claims" property.

The New Claims property is located south of Rouyn-Noranda, Quebec. These non-contiguous claims originally covered a total area of some 25 sq km. These claims are situated south of the prolific Larder

Lake – Cadillac Fault, within rocks of the Pontiac Subprovince, and are distributed in three main blocks: Lac Evain, Kinojevis, and 391.

As of December 2011, Management elected not to renew several of these claims. On the Lac Evain block, only 12 claims remain active; on the Kinojevis block all the original 14 claims remain active; and, on the 391 block, all the claims expired in February of 2012.

Overall Performance

As at April 30, 2012, the Company had assets of $1,194,153, liabilities of $298,004 and shareholders' equity of $896,149. During the three months ended April 30, 2012, the Company incurred a loss of $109,658.

At April 30, 2012, the Company had working capital of $896,149 and cash of $1,009,721.

The Company is a junior mineral exploration company that has begun to assemble an experienced management team to engage in the acquisition, exploration and development of properties prospective for economic deposits. The Company's financial success will depend on the extent to which it can make discoveries of minerals on its optioned properties and on the economic viability of such discoveries. The development of such properties may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral resources and mineral reserves and to date has not produced any revenues. The economic viability of any mineral discovery by the Company will be largely dependent upon factors beyond its control, such as the market value of the commodities produced. Although economic conditions in Canada have improved since the beginning of 2009, the Company remains cautious in case the economic factors that impact the mining industry deteriorate. These factors include uncertainty regarding the prices of commodities, and the availability of equity financing for the purposes of mineral exploration and development. The prices of commodities have been volatile in recent periods and financial markets have deteriorated to the point where it has become extremely difficult for companies, particularly junior exploration companies, to raise new capital, even though there are signs the situation may be improving. The Company's future performance is largely tied to the development of its mining claims properties and the overall financial markets. Financial markets are likely to continue to be volatile over the balance of calendar 2012, reflecting ongoing concerns about the global economy. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Company's current strategy is to continue its exploration program on the mining claims and to seek out other prospective business opportunities. The Company believes that this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining momentum on key initiatives. These trends may limit the Company's ability to develop and/or further explore its mineral property interests and/or other property interests that it may acquire. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates into both short-term operating and longer-term strategic decisions.

Selected Annual Information

Summarized selected financial information with respect to Lakeside is as follows:

		Three Months Ended April 30, 2012		Year ended January 31, 2012		Year ended January 31, 2011
Total expenses	$	372,864	$	2,228,405	$	400,771
Other income		263,206		64,770		-
Net (Loss)		(109,658)		(2,163,635)		(400,771)
(Loss) per share		(0.003)		(0.136)		(0.225)
Total assets		1,194,153		1,454,212		311,082
Total liabilities		298,004		701,767		46,709
Shareholders' equity	$	896,149	$	752,445	$	264,373

Three month period ended April 30, 2012 compared to 2011

The Company incurred a net loss of $109,658 or 0.003 per common share for the three month period ended April 30, 2012, compared with a net loss of $328,838 or $0.029 per common share for the same period ended April 30, 2011.

Management, consulting fees and salaries totaled $78,741 during the three months ended April 30, 2012, and primarily consisted of services provided by FOI for strategic leadership, Cavalry for financial accounting, including CFO services and the President and CEO of the Company. Management and consulting fees totaled $75,833 for the three months ended April 30, 2011, for the services provided by FOI, Cavalry, VP of exploration and $26,000 in relation to a recruitment firm.

Professional fees, consisting of legal and accounting fees, totaled $19,444 during the three months ended April 30, 2012, ($90,036 – 2011) and consisted of $8,934 of legal services and $10,510 in accounting fees. For the three months ended April 30, 2011, under the letter of agreement for the going public transaction the resulting issuer is responsible for up to $100,000 of legal fees incurred by Grasslands, FOI and FFHC with respect to the previous agreement between Grasslands and FOI. The Company settled amounts due to Fogler Rubinoff LLP ("Fogler") and recorded $71,200 in relation to these past costs.

The Company incurred $65,617 ($3,387 -2011) in office and general expenses during the three months ended April 30, 2012, which consisted of primarily transfer agent fee's, insurance, travel and entertainment, rent and other miscellaneous costs.

The Company incurred share based payments for the three months ended April 30, 2012, of $1,478 in relation to the vesting of options issued March 23, 2011 ($30,561– 2011). Share based payments are booked based on the valuation of options using the Black-Scholes model.

Total exploration and evaluation costs in the three months ended April 30, 2012 was $207,584 ($129,021 – 2011). The evaluation and exploration expenditures for the Company for the three months ended April 30, 2012 and 2011 were as follows.

Property:	**April 30, 2012**	**April 30, 2011**
Dufay	$ 195,771	$ 85,017
Disson	4,798	22,002
Launay	6,615	17,002
Quevillon	-	5,000
Kipawa	400	-
	$ 207,584	$ 129,021

A total of $2,906 interest was earned for the three months ended April 30, 2012 ($0 – 2011) which represents amounts earned on short-term investments and accrued interest on government receivables.

The Company financed its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investors. Proceeds received on the issuance of such shares have been credited to share capital less the premium paid for the sale of tax deductions. To the extent that the Company issued common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium was recorded as a liability on the Company's statement of financial position at the time of subscription. This liability was reduced when renunciation occurred, associated with such flow-through share issuances, with a $260,300 ($0 -2011) premium recognized as income.

Management expects the level of losses to increase in future periods as development and exploration activities ramp.

Summary of Quarterly Results

		Net (loss)	**(Loss) per share**
Q1	**2013**	(109,658)	(0.003)
Q4	**2012**	(1,067,254)	(0.049)
Q3	**2012**	(364,206)	(0.023)
Q2	**2012**	(403,337)	(0.028)
Q1	**2012**	(328,838)	(0.029)
Q4	**2011**	(331,271)	(0.185)

Liquidity and Financial Position

As a junior exploration resource company, the Company has no regular cash flow from operations, and the level of operations is principally a function of availability of capital resources. To April 30, 2012, the principal source of funding has been through the completion of private placements for gross proceeds of $2,780,750. Going forward, the Company will have to continue to rely on equity or debt financings for its working capital. There is no guarantee that the Company will be able to successfully complete such financings, as market conditions may dictate availability and interest.

At April 30, 2012, total assets decreased by $260,059 since prior fiscal year end to $1,194,153 consisting of $1,009,721 of cash, $139,426 of HST receivable and other receivables, $45,006 of prepaid expenses.

Related Party Transactions and Key Management Compensation

The Company and FOI entered into a financial advisory and consulting agreement on October 15, 2010. FOI is a subsidiary of Foundation Financial Holdings Corp. ("FFHC"). FFHC is an entity in which Adam Szweras is a director and each of Yannis Banks, and Jeremy Goldman, is an officer, director and shareholder. In consideration for services the Company agreed to pay a fee of $7,000 per month for a period of eighteen months that ended April 2012. The Company and FOI entered into a financial advisory and consulting agreement on April 14, 2012 and the Company agreed to pay a fee of $5,000 per month for a period of three months. For the three months ended April 30, 2012, the Company paid FOI $19,000 (2011 - $21,000). In addition, Foundation Markets Inc. ("FMI") a subsidiary of FFHC received a cash commission payment of $14,816 (2011 - $3,000) and 113,969 broker warrants valued at $4,884 for the placement of the Company's common shares, which are included in share capital and reserve for warrants respectively.

The Company and Cavalry Corporate Solutions Ltd ("Cavalry") entered into a management services agreement on November 1, 2010. The management services agreement includes the services of the Company's Chief Financial Officer ("CFO"). Cavalry is an entity in which FFHC is the sole shareholder. In consideration for services the Company agreed to pay $4,000 for the first three month period and $5,000 per month until January 31, 2012. The agreement was amended to $7,500 per month thereafter. For the three months ended April 30, 2012, the Company recorded $22,500 (2011 - $15,000) for management services provided by Cavalry.

During the three months ended April 30, 2012, Fogler Rubinoff LLP ("Fogler") a law firm in which Adam Szweras an officer of the Company is also a partner, provided $8,933 (2011 - $87,834) of legal services, which are included in professional fees. The Company also issued 384,615 units priced at $0.13 to convert $50,000 worth of legal fees. Each unit, priced at $0.13, is comprised of one (1) common share and one (1) common share purchase warrant. Each warrant will entitle the holder to purchase an additional common share of the Company at a price of $0.20 for 24 months from the date of closing, subject to an acceleration clause.

The Company entered into a general consultancy agreement with Caracle Creek International Consulting Inc. ("CCIC") in which Scott Jobin-Bevans is a director and a significant, but not controlling, shareholder. Scott Jobin Bevans is a director of the Company. CCIC was engaged to provide a NI 43-101 report and field work on the Dufay mineral property. CCIC provided $4,539 (2011- $88,978) of consulting services during the period, which was expensed in exploration and evaluation expenditures.

During the three months ended April 30, 2012, $50,178 was paid to the Chief Executive Officer and Chief Financial Officer.

All transactions with related parties were in the normal course of operations.

Disclosure of outstanding share date June 28, 2012

	Authorized	Outstanding
Voting or Equity securities issued and outstanding	Unlimited Common Shares	31,005,500 common shares
Securities convertible or exercisable into voting or equity		a) Options to acquire up to 2,450,000 common shares b) 10,391,777 warrants exercisable to acquire common shares of the Company c) 918,899 broker warrants

Off-Balance Sheet Arrangements

As of January 31, 2012, the Company has no off balance sheet arrangements.

Critical Accounting Estimates

Significant accounting policies

Mineral properties

Acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE").

Share based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. When there is a loss, no potential shares are included in the computation as they are anti-dilutive.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through earnings. The Company's cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. The Company's other receivables are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At April 30, 2012 the Company has not classified any financial assets as available for sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At April 30, 2012 the Company has not classified any financial liabilities as FVTPL.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are measured at the exchange amount.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investors. Proceeds received on the issuance of such shares have been credited to share capital less the premium paid for the sale of tax deductions. To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non flow-through common shares, any such premium is recorded as a liability on the Company's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation, when renunciation occurs, associated with such flow-through share issuances, with the premium recognized as income. The Company takes the initial recognition exemption on deferred taxes as it relates to flow-through shares.

Fair value

The carrying amount of cash and cash equivalents, other receivables, and accounts payables and accrued liabilities approximate fair value due to the relative short maturity of these financial instruments. As at April 30, 2012, all financial instruments measured at fair value are considered level 1, consisting of cash and cash equivalents.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with a reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents and other receivables is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at April 30, 2012, the Company had a cash and cash equivalents balance of $1,009,721 (January 31, 2012 - $1,230,116) and current liabilities of $298,004 (January 31, 2012 - $441,467).

Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of April 30, 2012, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

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.

During the three months ended April 30, 2012 there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company'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 President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at April 30, 2012 covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and 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 President and 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 President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Lakeside to fund the capital and operating expenses necessary to achieve the business objectives of Lakeside, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

External auditors, appointed by the shareholders, have not examined the unaudited interim condensed consolidated financial statements for the three months ended April 30, 2012 and 2011.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements with management. The Board of Directors has approved the unaudited interim condensed consolidated financial statements on the recommendation of the Audit Committee.

June 28, 2012

Mario Justino
Chief Executive Officer