McLaren Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED DECEMBER 31, 2010

General

The following discussion of performance, financial condition and future prospects should be read in conjunction with the McLaren Resources Inc. (the "Company" or "McLaren") audited financial statements and notes thereto for the fiscal years ended September 30, 2010 and September 30, 2009, which were prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. Additional information regarding the Company can be found on SEDAR at www.sedar.com. All amounts following are expressed in Canadian dollars unless otherwise stated. This discussion and analysis is dated February 28, 2011.

Forward Looking Statements

Certain information in this MD&A and in other public announcements by the Company is forward-looking and is subject to important risks and uncertainties. Forward information includes information concerning the Company's future financial performance, business strategy, plans, goals and objectives.

Factors which could cause actual results to differ materially from current expectations include, among other things: the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; competitive conditions in the business in which the Company participates; general economic conditions and normal business uncertainty; fluctuations in foreign exchange rates; and changes in laws, rules and regulations applicable to the Company.

The Company does not update forward-looking statements should circumstances or management's assumptions, expectations, or estimates change.

OVERVIEW

During the quarter McLaren transitioned from petroleum exploration, to mining exploration and development, with a focus on Canada and the sourcing of financing to fund property acquisitions and work programs.

On November 11 of 2010 McLaren Resources Inc. completed the sale of its 5% interest in the El 1070 Western Newfoundland property to Shoal Point Energy Ltd (“SPE”). The Company received proceeds of $150,000 cash, 750,000 SPE shares (SHP-CNSX) and 250,000 SPE warrants exercisable at a price of 0.28$ with a two year term.

On December 7th McLaren Resources Inc. ("McLaren" or the "Company") and Red Mile Minerals Corp., ("Red Mile") entered into and Option Agreement whereby McLaren can earn a 50% interest in The Blue Quartz gold property, with McLaren having the right of first refusal on the remaining 50% interest. The Property consists of 25 patented mining claims, located in Beatty Township, approximately 70 kilometers east of Timmins Ontario.

During the year ended September 30, 2010, the Company decided to relinquish two of the four offshore petroleum exploration blocks held by the Company in the North Sea. In addition, on June 29, 2010, the Company decided to dispose of its 27% interest in the two remaining North Sea blocks for a 3% net profit interest and cash payment of $125,000, in aggregate, conditional upon an extension of the licenses. As at December 31, 2010, the license extension is pending approval by the Dutch government.

During the first Quarter of 2010, the Company agreed to reduce its net carried interest in the Indonesian concessions to 2%, capped at $2 million in exchange for the beneficial owner of a certain portion of the Indonesian concession blocks having negotiated an earn in arrangement with an arms length third party by which the third party has committed to incur exploration expenditures of up to US $3,243,500 on these concessions.

Selected Financial Information

The following table provides selected financial information that should be read in conjunction with the financial statements of the Company.

	QUARTER ENDED December 31,		YEAR ENDED September 30,	
	2010	2009	**2010**	2009
Interest and Other Income	$175,939	35,372	$38,457	17,124
Loss (income) for the period	(80,047)	82,292	1,574,111	885,372
Loss per share	$(0.004)	$0.004	$(0.08)	$0.047
Total assets	$1,526,241	$2,546,108	$1,051,551	$2,359,276
Deferred petroleum and natural gas exploration	0	916,551	0	896,551
Total liabilities	180,643	111,224	37,946	36,100

Results of Operations

The Company had net income of $80,047 for the Quarter ended December 31, 2010, compared to a net loss of $82,292 for the Quarter ended December 31, 2009 attributable to the sale of the 1070 Western Newfoundland property to Shoal Point Energy Ltd.

Revenue

The Company is a junior exploration company with no revenue producing properties and earned no revenue for the Quarter ended December 31, 2010 (December 31, 2009 - $nil) other then interest and other income of $175,939(December 31, 2009 - $35,372).

Expenses

	December 31, 2010	December 31, 2009	Change %
Consulting fees	15,000	$3,000	400%
Management fees	$48,175	$27,500	75%
Office, general and administrative	$23,134	$19,050	21%

Investor relations	$3,716	$2,582	44%
Professional fees	$10,494	$28,773	(64)%
Directors' fees	$7,500	$12,500	(32)%

Consulting fees increased during the Quarter ended December 31, 2010 by $12,000 (400%), compared to the prior Quarter, due to the hiring of an outside consultant to advise on specific natural resource deal. Management fees increased by $20,675 (75%) due to the increased management activity of the CEO and the CFO in the December 31, 2010 Quarter. General, office and administration expenses increased by $4,084 (21.0%) for the Quarter ended December 31, 2010, again due to increased business activity over the prior comparative period. Investor relations increased by $1,134 (44%) for the Quarter ended December 31, 2010 compared to the prior comparative period due to increased business activity. Professional fees were reduced by $18,279 (64%). Directors' fees of $7,500 were charged for the Quarter ended December 31, 2010 compared to $12,500 in the three months ending December 31, 2009. In December 2009 a director was paid a one time payment of $5,000 for extra work during the period.

Properties

On December 7th McLaren Resources Inc. ("McLaren" or the "Company") and Red Mile Minerals Corp., ("Red Mile") entered into and Option Agreement whereby McLaren can earn a 50% interest in The Blue Quartz gold property, with McLaren having the right of first refusal on the remaining 50% interest. The Property consists of 25 patented mining claims, located in Beatty Township, approximately 70 kilometers east of Timmins Ontario.

In order for McLaren to earn a 50% interest in the Blue Quartz Property, by making a C$10,000 cash payment at signing (paid on signing) and incur up to C$200,000 in exploration and development expenditures on this property on or before September 1, 2011. Any shortfall in expenditure below $200,000 can be made up with a cash payment to Red Mile. A 1.0% Net Smelter Royalty ("NSR") is retained by the predecessor companies (Thundermin Resources Inc. and Wesdome Mines Ltd.). Upon completion of the earn in and exercising its option to acquire 50% interest in the Blue Quartz Property, The Company has the right to participate in repurchasing its pro-rated share of the NSR, of 0.5% for a price of C$500,000, for a cost to McLaren of $250,000.

Liquidity and Capital Resources

At December 31, 2010 the Company had cash and cash equivalents of $1,003,065 compared to $272,291 as at September 30, 2010. The Company's main short-term obligations as at December 31, 2010 consisted of accounts payable and accrued liabilities of $180,643 (September 30, 2010 - $37,946). The Company had no other long-term obligations as at December 31, 2010.

The Company's working capital at December 31, 2010 was $1,176,719 (September 30 , 2010 - $862,462). Management believes that, at this level, although capital is sufficient for the activities planned for the next twelve months, further funding will be sought.

Currently, the Company has sufficient cash reserves to meet its financial obligations for upcoming exploration programs. However, the Company will seek to raise additional funding to finance drilling and future exploration programs. The timing and ability to take such action will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource-based junior exploration stage companies.

Commitments and Contingencies

The structure of the transaction for the recovery of its pre-acquisition costs related to its Indonesian assets does not remove the Company's potential liability in the event of obligations incurred but not paid by the company who reimbursed the Company for its pre-acquisition costs. In the event of a default by the company, the Company could remain liable for the obligations incurred. During the Quarter, the company, who reimbursed the Company for its pre-acquisition costs, reorganized the sale of the asset and minimized any potential liability from the Company.

As of December 31st 2010, McLaren is awaiting approval by the Dutch government for the license extension on its North Sea property.

Outstanding Share Data

During the Quarter, 1,000,000 flow through shares were issued for net proceeds of $200,000 cash by way of a private placement. During the Quarter, 375,000 options were issued, exercisable at $0.15, expiring December 30, 2015. A summary of common shares and common share options as at December 31, 2010 is tabled below:

Common shares issued	20,794,281
Common share options	1,975,000
Fully diluted common shares	22,769,281

Summary of Quarterly Results

The following table sets forth, for the quarter ended on the date indicated, information relating to the Company's revenue, net loss and loss per common prepared under Canadian GAAP:

Quarterly Financial Information (unaudited)

	2011	2010	2010	2010
	Q1	Q4	Q3	Q2
(a) Revenue	$-	$-	$-	$-
(b) Net Income (loss)	80,047	$(203,574)	$(1,140,709)	$(147,536)
(c) Net Income (loss) per share	$0.004	$(0.01)	$(0.06)	$(0.008)
(basic & fully diluted)				
	2010	2009	2009	2009
	Q1	Q4	Q3	Q2
(a) Revenue	$-	$-	$-	$-
(b) Net Income (loss)	$(82,292)	$(121,804)	$(206,766)	$(480,434)
(c) Net Income (loss) per share	$(0.004)	$(0.006)	$(0.011)	$(0.025)
(Basic & Fully Diluted)				

The Company is a junior exploration company with no revenue producing properties. Currently the Company's funding continues to be derived from issuing securities and its short-term investments.

For further quarterly financial information, please refer to the Company's financial statements that have been filed on SEDAR.

Related Parties Transactions

During the Quarter ended December 31, 2010, officers and directors and companies controlled by them charged consulting fees and management fees to the Company in the amount of $49,500 (2009 - $15,500). Accounts payable at December 31, 2010 includes $nil (2009 - $1,325) owing to them

During the Quarter ended December 31, 2010 directors charged directors fees to the Company in the amount of $7,500 (2009 - $12,500). Accounts payable at December 31, 2010 includes $nil (December 31, 2009 - $12,500) owing to them.

During the Quarter ended December 31, 2010, the Company reimbursed certain directors, officers and individuals and companies related to directors of the Company at the time of the transaction, for corporate costs paid directly by them. These reimbursements were at cost and aggregated $3,927 (2009 - $3,962).

During the Quarter ended December 31, 2010, the Company was charged $7,402 (2009 - $25,627) by a law firm of which an officer of the Company is a partner. Accounts payable at December 31, 2010 includes $4,520 (2009 - $41,998) owing to the law firm of which an officer of the Company is a partner.

As at December 31, 2010, accounts receivable includes $Nil (2009- $39,375) due from a company with a director who is also a director and officer of the Company.

These transactions, stated above, are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

Off-Balance Sheet Arrangements

The Company does not enter into off-balance sheet arrangements with special purpose entities in the normal course of business.

Changes in Accounting Policies and Recent Accounting Pronouncements

Financial Concepts

CICA Handbook Section 1000 has been amended to focus on the capitalization of costs that meet the definition of an asset and de-emphasizes the matching principle. The revised requirements are effective for annual and interim financial statements relating to fiscal Quarter beginning on or after October 1, 2008. Accordingly, the Company adopted the new standards for its fiscal Quarter beginning October 1, 2008. This adoption has not resulted in a significant impact on the Company's financial statements.

General Standards on Financial Statements Presentation

CICA Section 1400, "General Standards on Financial Statement Presentation", has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The changes are effective for interim and annual financial statements beginning on or after January 1, 2008. The Company has included disclosures recommended by this new standard in note 1 to these financial statements.

Goodwill and Intangible Assets

The CICA issued the new Handbook Section 3064, “Goodwill and Intangible Assets”, which will replace Section 3062, “Goodwill and Other Intangible Assets”. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal Quarters beginning on or after October 1, 2008.

Effective October 1, 2008, the Company adopted Section 3064 “Goodwill and intangible assets” which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this new standard did not have an impact on the Company’s financial statements.

Mining Exploration Costs

On March 27, 2009, the CICA approved EIC 174, “Mining Exploration Costs”. This EIC provides guidance on capitalization of exploration costs related to exploration properties in particular and on impairment of long-lived assets in general. The application of this accounting standard resulted in an impairment of the Company’s deferred petroleum and natural gas exploration costs amounting to $970,787 (2009 - $nil), in aggregate, during the Quarter ended December 31, 2010.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities”. The committee reached a consensus that a company's credit risk and the credit risk of its counterparties should be considered when determining the fair value of its financial assets and financial liabilities, including derivative instruments. The transitional provisions resulting from the implementation of EIC 173 require the abstract to be applied retrospectively without restatement of prior periods. The Company adopted this EIC effective January 20, 2009. The adoption of the EIC did not have a significant impact on the Company’s financial statements.

Future Accounting Changes

International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("Canadian GAAP") with IFRS over an expected five Quarter transitional period. The AcSB announced in February 2008 that 2011 will be the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal Quarters beginning on or after January 1, 2011.

The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the Quarter ending December 31, 2011. The Company has begun an internal diagnostic review to understand, identify and assess the overall effort required to produce financial information under IFRS, however, at this time, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Management's Responsibility for Financial Information

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the audited financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the audited financial statements.

In contrast to the certificate required under NI 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP. The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Financial Instruments and Financial Risk Factors

a) Fair value – the Company has determined the estimated fair value of its financial instruments based on estimates and assumptions. The actual results may differ from those estimates and the use of different assumptions or methodologies may have a material effect on the estimated fair values. The fair value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are comparable to their carrying value due to the relatively short period to maturity of these instruments.

b) Credit risk – the Company does not have any material risk exposure to any single debtor or group of debtors.

c) Commodity price risk – The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of natural resources.

See note 12 in the audited annual financial statements for the Quarter ended December 31, 2010 and 2009 for additional financial risk factors.

Critical Accounting Estimates

Critical accounting estimates are estimates that have a high degree of uncertainty and for which changes in those estimates could materially impact the Company’s results. Critical accounting estimates for the Company include property evaluations, capitalization of petroleum and natural gas exploration costs, and stock-based compensation variables.

IFRS Changeover Plan

In September 2008, the CICA's Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011. The Company will be required to report its results in accordance with IFRS beginning in 2011. The Company is going to consult external advisors to assist in the development and execution of a changeover plan to complete the transition to IFRS by October 1, 2011, including the preparation of required comparative information. The key elements of the Company's changeover plan will include:

- Determine appropriate changes to accounting policies and required amendments to financial disclosures;
- Identify and implement changes in associated processes, and accounting, and information system;
- Comply with internal control requirements;
- Communicate collateral impacts to internal business groups; and
- Educate and train internal and external stakeholders.

The Company is analyzing accounting policy alternatives and identifying implementation options for the corresponding process changes. The Company will update its IFRS changeover plan to reflect new and amended accounting standards issued by the International Accounting Standards Board. As IFRS is expected to change prior to 2011, the impact of IFRS on the Company's Financial Statements is not reasonably determinable at this time.

Officers and Directors

Ivan Buzbuzian	Director and President & CEO
Michael Meredith	Director (see subsequent event note)
Paul Crath	Director
John Holko	Director
Vic Childs	Director
David McDonald	CFO (see subsequent event note)

Risk Factors and Risk Management

The natural resource exploration industry is subject to many risks, a significant portion of which are outside the Company's control. Management has identified several key risks, which are discussed below, along with their potential impact on the Company's operations.

Exploration, Drilling and Operating Risks

Natural resource exploration involves a high degree of risk. The operations of the Company may be disrupted, curtailed or cancelled by a variety of risks and hazards which are beyond the control of the Company. Examples include; environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to increment or hazardous weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment, compliance with governmental requirements, explosions and other accidents. These risks and hazards could result in damage or destruction of production facilities, personal injury, environmental damage, business interruptions, monetary losses and possible legal liability.

Titles to properties

Natural resource property titles are often not capable of conclusive determination, without incurring substantial expense. In accordance with industry practice, the Company will conduct such title review in connection with its principal properties as it believes is commensurate with the value of such properties. Government regulations and processing, approvals license and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Company must comply with known standards, existing laws and regulations, new laws and regulations, amendments to existing laws and regulations.

Fluctuations in Commodity Price

Natural resource commodities fluctuate significantly over time and are determined by factors outside the Company's control. These factors include supply and demand factors, weather, general economic conditions, political instability, government regulation and taxes, the expectation of inflation and deflation as well as the availability of substitute commodities. Such fluctuations may have a positive or negative effect on the company's potential future revenue, and affect the Company's share price.

Additional Financing

To the extent that external sources of capital, including the issuance of additional Common Shares, become limited or unavailable, the Company's ability to make necessary capital investments to maintain or expand its natural resource exploration activities will be impaired.

Foreign Exchange Risk

To the extent that certain revenues may be valued in US$, there will be foreign exchange risk, however, management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Reserve and Resource Estimates

Information on resources and reserves are only estimates and the actual production and ultimate reserves from the properties may be greater or less than the estimates contained herein. In addition, probable reserve estimates for properties may require revision based on the actual development strategies employed to prove such reserves. Estimated reserves may also be affected by changes in the underlying commodity's price. Declines in reserves that are not offset by the acquisition or development of additional reserves may reduce the underlying value of the Company.

Dependence on Key Personnel

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Foreign Exchange Rates

The Company will be subject to normal market risks including fluctuations in foreign exchange rates. While the Company expects to manage its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Environment Regulation

The natural resource industry is subject to environmental regulation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders with respect to the Company or one of its properties. Such legislation may be changed to impose higher standards and potentially more costly obligations. The Company is putting policies and practices in place to ensure its operations conform to the standards and government regulations required for each jurisdiction in which it operates.

Subsequent Events

Subsequent to Quarter end, Michael Meredith Vice Chairman and Director, retired from the position of CFO of McLaren Resources Inc. and has been replaced by David McDonald C.A.

Signed

"*David McDonald*"
Chief Financial Officer
February 28, 2011