Musgrove Minerals Corp.

Management Discussion And Analysis For the Year Ended November 30, 2011 (Amended and Restated)

The following Management Discussion and Analysis ("MD&A") of Musgrove Minerals Corp. (the "Company") is intended to supplement and complement the accompanying consolidated financial statements and notes for the year ended November 30, 2011. All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The information provided herein should be read in conjunction with the annual consolidated financial statements for the year ended November 30, 2010. The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control.

This document has been reviewed by the Board and is effective up to and including March 27, 2012.

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

OVERVIEW

Musgrove Minerals Corp. is a mineral-exploration resource company trading on the TSX Venture Exchange (Symbol: **MGS**) and on the OTC market (Symbol: **MGSGF)** and Frankfurt (Symbol JL4M). The Company's Head Office is located at Suite 407 – 808 Nelson St. Vancouver, BC V6Z 2H2 and the Records Office is at Suite 200, 8338 - 120th Street Surrey, British Columbia V3W 3N4.

The Company is presently in the business of the acquisition and exploration of mineral properties. The Company is currently exploring two advanced exploration-stage projects; Creek Gold Property, and the Empire Mine Property. In addition, it has optioned its Charay Gold Property and has disposed of its Vianey Mine Silver Property.

On April 11, 2005, the Company acquired 100% of Minerales Jazz, the beneficial holder of the Vianey Mine concession Mexico. In fiscal 2007, Wits Basin earned a 50% joint venture interest in the Vianey Mine Silver Property, in Guerrero State, Mexico, with remaining 50% interest owned by the Company for the exploration and development of the property. The Vianey Property is comprised of two blocks totaling 5,022 hectares and has a silver-lead-zinc mineralization production history. The Company is the operator of the project.

On June 7, 2011, the Company signed an option agreement to sell its 50% interest in the Vianey mine to Grand Peak Capital Corp. The first payment of $125,000 was received from Grand Peak on December 01, 2011.

On June 13, 2007, the Company fulfilled it obligations under an amended option agreement and acquired a 100% right, title and interest in the Musgrove Creek Gold Property, Idaho, USA. The Musgrove Property is a prospect for a disseminated gold bulk-tonnage surface project similar to the Beartrack Mine, a nearby former gold producer.

On October 15, 2008, the Company entered into an option agreement to acquire a 100% interest in and to certain mining claims comprising the Charay Gold Property, located in Sinaloa, Mexico. The Charay Property is comprised of three concessions totaling 380 hectares. On May 17, 2011, the Company entered into a letter of intent with Westridge Resources Inc. to option 80% interest in the Chary property. As at year end $476,609 has been received from the optionee.

The Company has entered into exploration and lease agreements with two arm's length parties to earn a 100% operating interest in certain mining claims at the Empire Mine Property in Idaho, U.S.A.

RESULTS OF OPERATIONS

	November 30, 2009 $	Additions $	November 30, 2010 $	Additions $	November 30,, 2011 $
Musgrove, U.S.A.					
Acquisition and Lease Costs	544,827	50,388	595,215	49,450	644,665
Exploration Expenditures					
Administrative	70,169	15,250	85,419	16,167	101,586
Assay	79,244	-	79,244	-	79,244
Drilling	433,931	-	433,931		433,931
Field and Exploration	54,287	1,035	55,322	31,744	87,066
Geochemical Survey	201,249	-	201,249	-	201,249
Geological	160,044	16,067	176,111	-	176,111
Staking and Maintenance Fees	54,205	27,662	81,867	13,102	94,969
	1,597,956	110,402	1,708,358	110,462	1,818,820
Vianey, Mexico					
Acquisition Costs	235,546	11,091	246,640	10,295	256,935
Exploration Expenditures					
Administrative	16,530	6,282	22,812	6,000	28,812
Engineering	15,000	-	15,000	-	15,000
Fees and Permits	-	-	-	-	-
Field and Exploration	118,354	620	118,974	10,677	129,651
Geological	47,494	-	47,494	2,550	50,044
Disposition	-	-	-	(480,442)	(480,442)
	432,927	17,993	450,920	(450,920)	-
Charay, Mexico					
Acquisition Costs	281,424	584,957	866,381	335,652	1,202,033
Exploration Expenditures					
Assays	-	13,140	13,140	-	13,140
Engineering	25,000	266,061	291,061	75,068	366,129
Fees and Permits		-	-	-	-
Field and Exploration	5,968	18,363	24,331	65,842	90,173
Geological	10,182	17,225	27,407	23,315	50,722
Staking and Maintenance Fees	-	-	-	2,400	2,400
Impairment	--	-	-	(476,609)	(476,609)
	322,574	899,746	1,222,320	25,668	1,247,988
Empire Mine Property, U.S.A.					
Acquisition Costs	-	-	-	147,475	147,475
Exploration Expenditures					
Administrative	-	-	-	3,954	3,954
Assay				153	153
Drilling	-	-	-	164,973	164,973
Field and exploration				586,719	586,719
Geological	-	-	-	325,040	325,040
Staking and Maintenance Fees	-	-	-	2,011	2,011
Travel	-	-	-	23,801	23,801
	-	-	-	1,254,126	1,254,126
Silver Mountain Property, Peru					
Acquisition costs	758,632	(25,000)	733,632	-	-
Exploration expenditures	31,193	7,253	38,446	-	-
Disposal of subsidiary	-	(772,078)	(772,078)	-	-
	789,825	(789,825)	-	-	-
Mineral properties	3,143,282	238,316	3,381,598	1,419,778	4,320,934

Musgrove Creek Gold Property, U.S.A.
On June 13, 2007, the Company fulfilled all of its obligations under an option agreement with Roxgold Inc. and Wave Mining Inc. by making $225,000 in cash payments and issuing 375,000 common shares, and acquired all rights, title and interest to the Musgrove Property. The property consists of 47 unpatented claims situated in the Cobalt Mining District, Lemhi County, Idaho, USA. The Company staked and recorded an additional 40 claims in 2006.

The Company deposited a reclamation bond of US$5,800 (CDN$6,818) with the United States Department of Agriculture Forest Service in April 2006 for future mineral claim site reclamation costs.

The results from The Company's two previous drill programs, have indicated a tangible target for ore grade mineralization (named the "Johny Northwest target area"), located midway between those two groups of drill holes. Ten reverse circulation holes totaling 625 meters (2050 feet) were drilled from an existing access road to test the target area. Significant gold mineralization was drilled in eight of these holes. The widths of the intercepts are along the drill hole; the true widths of the mineralized zones are not known at this time. It is worth noting that hole MG-09-64 ended at 250 feet in mineralization.

In 2010 the Company has staked an additional 20 claims, expanding the property to the south and south-west in an area previously held by other claimants. The claim package now includes 107 unpatented lode mining claims. The Company undertook a comprehensive GIS compilation of all available data from the project area, which will greatly aid interpretation and targeting for future drilling. The Company completed approximately 3,000 feet of the 7,500 foot drill program. In addition to the drilling, other work included soil sampling and detailed geological mapping t.

The 2011 work program included reopening a total of approximately 3,360 feet of previously constructed and then reclaimed drill roads to Johny's Point, and the construction of a total of 395 feet of new road. It has been recommended that we drill up to 18 holes for a total of 14,000 feet.

The overall management of the program was being provided by the Company's consulting geologist, Robert M. Hatch, Licensed Geologist, the Qualified Person, as defined by NI 43-101, on the Musgrove Creek Project. In February of 2004, a new NI 43-101 mineral resource calculation was estimated (Grunewald and Makepeace, 2004).

The Musgrove Property is an advanced-stage exploration project, of which the Company controls a 100% operating interest, subject to an underlying royalty. The property is a prospect for a disseminated gold bulk-tonnage surface project similar to the Beartrack Mine, a nearby former gold producer.

Empire Mine Property, U.S.A.
In December 2010 and January 31, 2011, the Company entered into exploration and lease agreements with two arm's length parties to earn a 100% operating interest in certain mining claims at the Empire Mine Property in Idaho, U.S.A. The terms of the agreements require the Company to pay a total of US$1,002,500 in cash or shares commencing from July 31, 2011 up to the completion of a permit to operate the property. Upon commencement of commercial property, the property is subject to a 2.5 % net smelter returns royalty which may be reduced to 1.5% for US$2,400,000. The Company paid a fee of US$60,000 on signing of the agreements.

The past producing Empire Mine Project is a polymetallic skarn deposit containing copper, zinc, gold and silver located in the Alder Creek Mining District in Custer County, Idaho. The Property is on the east facing slope of the White Knob Mountains approximately three miles west of Mackay, Idaho. It consists of 26 patented mining claims, six mill-site claims and 21 unpatented mining claims.

Historic production records indicate the Empire Mine produced 765,000 tons grading 3.64% copper, 0.048 oz/t gold and 1.57 oz/t silver from underground workings in the period 1901 to 1942 (694,000 Tonnes grading 3.64% Cu, 1.64 gm/T Au, and 53.8 gm/T Ag). Geologically, the mineralization is classified as a polymetallic copper-skarn. Mineralization has been encountered over a strike length of 1,200m, thickness of 6m to 73m, and a depth of more than 300m.

In 1997, Cambior Exploration USA Inc. reported a drill-indicated, near-surface, oxide copper resource of 18,230,000 tons grading 0.49% Cu, 0.19% Zn, 0.44 oz/t Ag (15.1 gm/t) and 0.014 oz/t Au (0.48 gm/t), with an additional 9,650,000 tons of material grading 0.29% Cu and 0.31% Zn (Cambior, 1997). A qualified person has not done sufficient work to classify the historical estimate as a current mineral resource; this issuer is not treating the historical estimate as a current mineral resource, and the historical estimate should not be relied upon.

In 2011 the Company commenced its new drill program, on the Empire Mine Project.

Drilling crews have completed 24 of the 32 planned In-fill RC-drill hole program with over 13,000 feet (4300 meters) drilled to date on the 100% owned Empire Mine Project located in the Alder Creek Mining District in Custer County, Idaho.

Results for the first 14 holes have been received from ALS Minerals Group. These holes were drilled in the northern half of the mineralized zone. Highlights include: EM11-08 20ft of 1.24% Cu including 10ft of 34.90gm/T Ag, EM11-09 120ft of 0.60% Cu including 100ft of 26.63gm/T Ag and .0.64% Zn, EM11-02 90ft of 0.62% Cu.

This 32 hole drill program completes the original 65 hole drill program outlined in the Company's 43-101technical report. In 2006 the Company drilled 33 holes (13,240ft), consisting of 5 NQ core and 28 RC at an incline of -45 degrees. The holes focused on the AP Pit area in the southern half of the mineralized body. The holes in the current infill drill program are -50 degrees which is approximately 85-87 degrees from the presumed attitude of the mineralization but the attitude of the mineralized zone is inconsistent and variable. True widths of the mineralized zones are variable and unknown.

Vianey Silver Property Mexico
On April 11, 2005, the Company acquired 100% of Minerales Jazz S.A. de C.V., the beneficial holder of the Vianey Mine Concession. The Vianey Property is held pursuant to an exploitation concession issued on May 5, 1979 by the government of Mexico, which will expire in 2029, unless renewed. The property consists of concessions totaling 5,022 hectares in Guerrero State, 250 kilometers south of Mexico City, Mexico. The property has a silver-lead-zinc mineralization history and includes a mine with a history of intermittent production.

The Vianey Property is operated on a joint venture basis with the Company holding a 50% interest in the joint venture and acting as the operator of the project. The Company accounts for the joint venture using the proportionate consolidation method.

In September 2006 the Company commenced a work program on the Vianey Project. A drilling contract covering 3,200 meters of HQ core drilling was awarded to CanMex Diamond Drill S.A. de C.V. of Sinaloa, Mexico. Diamond core drilling and associated surface and underground exploration was conducted during 2006 and early 2007. A total of 2,042 meters of core drilling was accomplished in 10 drill holes, plus 2 re-drilled holes. Drilling failed to reach the Vianey vein target in any drill hole; thus the objective of testing mineralization below the -75 metre level was not achieved. Drilling intercepted new zones of mineralization in the rocks southwest of the Vianey vein that were not previously known. Underground sampling returned good grade values for the Vianey vein and disclosed near-ore-grade metal values in intrusive rocks at the -75 metre level. The objective of testing mineralization below the -75 metre level remains a viable objective for expanding the resource potential of the Vianey vein.

Laboratory analysis was provided by ALS Chemex, Guadalajara, Jalisco, Mexico. The design and overall management of the program was provided by the Company's geologist Rodney Blakestad, the Qualified Person on the Vianey project.

In 2008, a review and evaluation of data, compilation of the recently acquired underground survey, data basing of available geo-chem, standardizing into a digital bundle, creating topographical maps, finishing the underground survey layout, and adding the geology and geo-chem to the survey data. An underground drilling program is being contemplated.

The recommended work program included drilling from underground sites, continuation of surface and underground mapping and sampling, permitting for surface disturbance operations are to be completed, and negotiations are to be commenced to secure expanded rights for exploration and land use in the region surrounding the Vianey Mine concessions.

On June 7, 2011, the Company signed an option agreement with Grand Peak Capital Corp. to acquire a 100% interest in the Vianey mine concessions. Under the terms of the agreements, Grand Peak had the option to purchase Vianey from the Company by paying a total of $325,000. Grand Peak will paid Musgrove $125,000 upon legal transfer of the concessions and will make two subsequent payments of $100,000 each on the anniversary date of transfer. The first payment of $125,000 was received December 01, 2011.

Mr. Jamie Lewin was an independent contractor who was also the part-time chief financial officer of both Grand Peak Capital Corp. and the Company when the option agreement was entered. Mr. Lewin provided accounting services to the Company and his responsibilities did not involve planning, directing, and controlling the activities of the Company, nor participation in the financial and operating policy decision of the Company. Mr. Lewin was not considered a related party to the Company as defined by International Accounting Standard 24 (Related Party Disclosures) as he did not have significant influence to the Company's activities nor was the Company's key management personnel. Consequently, the option agreement between the Company and Grand Peak Capital Corp. is not considered a related party transaction to the Company.

Charay Gold Property, Mexico

On October 15, 2008, the Company through its wholly owned Mexican subsidiary entered into a mineral claim option agreement with Tektite Financial Inc. ("Tektite") and Minera Bacoachi, S.A de C.V., to acquire a 100% interest in and to certain mining claims comprising the Charay Property, located in Sinaloa, Mexico.

The Property is comprised of three concessions covering 380 hectares, located in northern Sinaloa, Mexico, approximately one hour by road from the city of Los Mochis. In 2005, Vane Minerals Group drilled 27 shallow holes on the Property, totaling 1,576 meters. Eight drill holes targeted large zones of intense alteration in search of large-tonnage, low-grade disseminated mineralization. Nineteen drill holes targeted and intersected mineralized quartz vein/structure along a strike length of approximately 240 meters.

In June 2010, the Company acquired an additional 11,800 hectares of mineral concessions contiguous to the Charay property.

The option will retain a 2% net smelter royalty in the event of commercial production of the property.

The main exploration target on the Charay property is the El Padre vein, a high-grade gold-silver epithermal quartz vein. Two bulk samples taken from the El Padre vein in January 2010 were shipped to Laboratorio Tecnologico de Metalurgia in Hermosillo, Sonora for metallurgical testing. Head assays from the bulk samples were announced in Musgroves' February 3, 2010 news release. The results from preliminary gravity and bottle-roll leach metallurgical tests for both samples are as follows.

Six cyanide leach tests on three different grind sizes show excellent gold recoveries of 69% to 94%, with all samples using - 60 and - 100 mesh showing gold recoveries in excess of 90%. Each bottle-roll test was for 72 hours. These tests suggest that the mineralization at Charay may be amenable to agitated leaching methods. Advantages of agitated leaching over heap leaching include, amongst other things: i) drastically shorter leach times (hours vs months), ii) higher overall gold recoveries (>90% vs <75%), and iii) smaller aerial footprint for the leaching facilities.

A 43-101 Technical Report dated March 31, 2010 was filed by the Company and is available on SEDAR and the company website (www.musgroveminerals.com). The qualified person for the project is Phil Van Angeren, P.Geol. The report's recommendation on the Charay Property is for drilling, in conjunction with additional metallurgical testing, followed by detailed mine planning for an underground mining program involving material from the El Padre vein. Current work on the property will continue, which involves dewatering underground workings and removal of near surface material.

Preliminary results of the process testing program in 2010, achieved gold and silver recoveries of 89% and 60% respectively in a flotation concentrate from the Charay vein. The best results were obtained by grinding samples at

80% passing 200 mesh. Gold and silver recoveries of 86% and 65% respectively were obtained from flotation of the near surface vein mineralization, where there is some oxidization of the vein material. A finer grind at 80% passing 325 mesh was required for this material. The results are particularly encouraging, suggesting that the mineralization at Charay could be processed in existing mills in the area.

In addition, in 2010 the Company acquired over 11,000 hectares of mineral concessions contiguous to the Charay property, mostly along the strike projections of the epithermal vein system found at Charay. .

On May 17, 2011, the Company entered into a letter of intent with Westridge Resources Inc. (“Westridge”) to option Westridge 80% interest in the Chary property. Under the terms of the letter of intent, the Westridge has the exclusive right and option to earn an 80% interest in the Charay Project by: (i) assuming the Company’s $258,000 loan payable commencing the date that the TSX Venture Exchange approves a definitive agreement with respect to the Option (the “Effective Date”), (ii) making cash payments in the aggregate of US$2,227,500 plus applicable IVA and $140,000 to the Company over the next two years commencing September 1, 2011 representing payments to be made by the Company to the underlying owners, (iii) making cash payments of an aggregate of $450,000 with $225,000 payable on or before the date which is 12 months from the Effective Date, and with $225,000 payable on or before the date which is 24 months from the Effective Date; and (ii) issuing to the Company an aggregate of 1,200,000 common shares in the capital of Westridge, with 400,000 shares to be issued on the Effective Date, 400,000 common shares to be issued within 12 months of the Effective Date and 400,000 common shares to be issued within 24 months of the Effective Date.

After earning this 80% interest in the Charay Project, the Company’s 20% interest will be carried to the earlier of commercial production, or the exercise by Westridge of an option to acquire the remaining 20% interest. Westridge will have the right at any time up to 60 months from the Effective Date, to purchase the remaining 20% interest from the Company for a single $5,000,000 lump sum payment.

Under the terms of the agreement, the Westridge has also agreed to complete a work program of not less than USD$500,000 before February 28, 2012, and to assume all property payments to September 1, 2013. Westridge retains the right to terminate the Option on 30 days notice at any time following completion of the USD$500,000 work program. At all times, Westridge will be the operator for all exploration and development activities on the Charay Project.

The completion of the Option was subject to a number of conditions, including but not limited to the execution of a definitive agreement, satisfactory due diligence, the approval of the definitive agreement by the Board of Directors of the Company and the approval by the TSX Venture Exchange. There can be no assurance that the Option will be completed as proposed or at all. As at November 30, 2011 the optionee has advanced payments of $476,609.

Selected Annual Financial Information

The Company is an exploration company which had no revenues and had recurring losses in the last three years. Losses in each year are mainly due to incurring operating expenses to support the Company’s operations. Other factors that affect the loss from year to year are gains and losses from the disposition of resource properties and subsidiaries.

	2011 **$**	**2010** **$**	**2009** **$**
Revenues	-	-	-
Net Loss for the Year	(1,612,379)	(1,994,415)	(1,324,097)
Net Loss per Common Share – Basic and Diluted	(0.05)	(0.15)	(0.02)
Total Assets	4,706,093	3,503,406	3,566,873
Total Long Term Debt	-	-	-
Shareholders’ Equity	3,607,942	1,187,207	1,137,926
Working Capital (Deficiency)	(893,158)	(2,047,789)	(2,223,387)

Loss ($1,324,097) in 2009 is the lowest amongst the three years as the Company did not have significant losses from the disposition of resource properties or subsidiaries. Loss ($1,612,379) in 2011 is $288,282 higher than the loss in 2009 because the Company's stock-based compensation recorded in 2011 was $450,349 which was $209,345 higher than the stock-based compensation recorded in 2009 ($241,004). Loss ($1,994,415) in 2010 is the highest amongst the three years as the Company had a loss from the sale of its subsidiary of $772,176 to a Canadian public company, Lucky Minerals Inc. (2011 – loss of $192,842 from sale of joint venture; 2009 – loss of $Nil). The gain and disposition of the Company's subsidiaries/joint ventures, or exploration and evaluation assets, if any, will affect the Company's annual performance in the future.

Summary of Quarterly Results

The Company is in the business of acquisition and exploration of resource properties and its operating results are not subject to seasonal variations. Significant factors that affect the Company's annual results (discussed in above) also affect the Company's quarterly results.

	Nov 30/11	Aug 31/11	May 31/11	Feb 28/11	Nov 30/10	Aug 31/10	May 31/10	Feb/10
	$	$	$	$	$	$	$	$
Total Revenues	-	-	-	-	-	-	-	-
Net Loss	191,547	(216,941)	(866,591)	(720,394)	(1,151,345)	(247,325)	(313,432)	(282,313)
Loss Per Share	0.01	(0.01)	(0.03)	(0.03)	(0.14)	(0.00)	(0.01)	(0.00)

Operating Activities

For the year ended November 30, 2011 compared with the year ended November 30, 2010:

During the year ending November 30, 2011, the Company's net loss totaled $1,612,379 compared to a net loss of $1,994,415 during the year ended November 30, 2010, an improvement of $382,036. The basic and diluted loss per share was $0.05 in 2011 (2010 – loss per share of $0.15)

The $382,036 improvement is a combined result of an increase in general and administrative expenses ('G&A") of 288,956 (2011 - $1,653,167; 2010 - $1,364,211) and a $589,416 decrease in other losses (2011 - $40,788; 2010 - $630,204). The increase in operating cost is skewed by two one-time items, a $450,349 non-cash stock-based compensation expenses recorded in 2011 and a $166,379 bad debt expense recorded in 2010. Without the effects of these two non-recurring items, the operating cost in 2011 was $1,202,818 comparing to $1,197,832 in 2010 which were not significant changed.

Details of the changes in G&A are as follows:
G&A expenses for fiscal 2011 increased by $288,956 and totaled $1,653,167 compared to $1,364,211 in 2010. G&A expenses included non-cash stock-based compensation expense of $450,349 (2010 - $nil), consulting fees of $395,732 (2010-$180,929), office expenses $136,866 (2010 - $170,379), and rental expenses of $82,665 (2010 - $32,200).

The Company granted stock options to 1,800,000 stock options were granted to management and consultants with fair value of $450,349. These options were fully vested during fiscal 2011. No options were granted in 2010. Thus stock-based compensation increased.

Consulting fees increased by $214,803 from last year. During 2011, the Company incurred consulting fees of $91,250, $17,173, 287,309 for brand building, financial/engineering advisory, and strategic consulting services provided to the Company respectively. The increase is mainly due to incurring more expenditures in seeking strategic advice for the Company to weather the capital market downturn.

The Company's rent had a $50,465 year to year increase because the Company received less sublease payments in 2011 as the number of sub-lease tenant gone down, and the operating costs and municipal taxes also went up in 2011

Throughout 2011, the Company focused in conducting exploration activities to its Empire Mine Property and $1,254,126 was spent. By the end of 2011, management realized that the capital resources on hand were not adequate to finance the Company's further exploration and operating activities. Given the Canadian capital market was in a downturn especially to junior mining companies, management has decided to curtail the Company's operation, including its exploration activities in 2012 until the Company can secure adequate financing through either equity/debt financing or by other arrangements including farm-out and joint venture. Management expected the operating and exploration expenditures in 2012 will be curtailed to enable the Company to preserve cash.

Details of significant other losses are as follows:

During 2011, the Company recorded a $98,817 gain on a debt settlement to account for settling accounts payable balances with various arm's length creditors with amounts less than their carrying values (2010 - $nil).

The Company sold their interest in the Vianey joint venture and recorded a loss on the sale of $192,842 in 2011 (2010 – loss in disposition of subsidiary - $772,176). The Company also recorded a $164,750 non-cash amortization gain on contribution to joint venture in connection with this disposition, which is an one-time accounting adjustment made when the joint venture was sold.

The above gain and loss are incidental and non-recurring in nature.

For the three months ended November 30, 2011 ('2011 Q4") compared with the three months ended November 30, 2010 ("2010 Q4"):

The Company's business, thus the income and loss is not subject to seasonality. The fluctuation of the Company's income (loss) is generally caused by non-recurring one-time business events happened in each quarter. Management expects the Company's quarterly results will fluctuate in the future if there are incidental business events happen.

The Company is an exploration company which does not earn income from its operation and does not expect to have operating income in the foreseeable future. Profit/loss of the Company was mainly a combined result of incurring operating expenditures plus various other one-time non-operating expenditures such as gain/loss from disposition of assets, interest in subsidiary/joint venture, and foreign exchange gain/loss.

Profit of the Company in 2011 Q4 was $192,547 which was a combined result of having a recovery of operating expenditure $195,769 net of $3,221 other non-operating expenses. The Company's 2011 Q4 profit was $192,547 comparing to a loss of $1,151,345 in 2010 Q4, an improvement of $1,343,892. The improvement was mainly a combined effect of the following significant one-time events:

<u>Change in non-operating expenses</u>

- The loss for disposition of subsidiary/joint venture in 2011 Q4 was less that that recorded in the same quarter in last year (2011 Q4 - $192,842; 2010 Q4 - $192,842), an improvement of $579,334
- The Company recorded a one-time gain from debt settlement of $29,266 in 2011 Q4 (2010 Q4 - $ni), an improvement of $29,266 when the Company settled various accounts payable with creditors with amount less than the carrying value of the accounts payable.

<u>Change in operating expenses</u>

- The Company recorded $ nil and $166,379 bad debt expenses in 2011 and 2010 Q4 respectively, an improvement of $166,379.
- The Company recorded a year end adjustment of reversing $264,284 of stock-based compensation when the Company recalculating its annual stock-based compensation at the year end, an improvement of $264,284

In the three months ended November 30, 2011, the Company's major operating expenses/recovery included $18,957 and (2010 Q4-$65,683) in investor relation expenses, $52,262 and (2010 Q4-$18,156) in legal fees, $6,605 and (2010 Q4-$4,276) in travel, and recovery of stock-based compensation of $264,284 (2010 Q4 - $nil).

The earnings per share in the three months ended November 2011 were $0.01.

SHORT TERM LOANS

On June 30, 2008, the Company issued a note payable for $1,000,000. The note payable bore interest at 36% per annum until May 31, 2010, was secured by a pledge of 772,000 common shares of the Company and was guaranteed by a former director of the Company and was due on May 31, 2010. On December 7, 2010, the terms of the agreement were amended so the interest rate was reduced to 15% per annum in exchange for the Company paying a financing fee of $99,915. The note payable was repaid during the year ended November 30, 2011.

On September 11, 2010, the Company issued a note payable for $150,000 to the Optionor of the Charay Property (Note 5). The Company was in default of option payments totaling $30,000 required on July 15, 2010 and September 1, 2010, and failed to incur the minimum exploration expenditure requirement of US$50,000 by September 1, 2010. The Optionor agreed not to terminate the option agreement by accepting a note payable of $150,000. The note payable was non-interest bearing, unsecured loan was due December 31, 2010. The Company repaid the note payable in February 2011.

On September 29, 2010, the Company issued a note payable for $258,000. The note payable bears interest at 8%, is secured by 100% of the outstanding shares of the Company's subsidiary, Minerales Jazz, and is due on demand. The Company recorded interest expense of $13,296 (2010 – $3,500) which remained outstanding as at November 30, 2011. Subsequent to November 30, 2011, the Company assigned the note payable and accrued interest to Westridge (Note 5).

FINANCIAL DISCLOSURE CONTROLS AND PROCEDURES

Venture issuers are not required to 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 National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers 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 Company in 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 Company's generally accepted accounting principles.

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 make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

LIQUIDITY

Working Capital
The Company's working capital deficiency was $893,158 as at November 30, 2011 and $2,047,789 as at November 30, 2010. Cash totaled $21,989 as at November 30, 2011, an increase of $19,571 from $2,418 as at November 30, 2010.

Sources and Uses of Cash
On January 21, 2011, the Company completed a private placement of 17,992,332 units at a price of $0.15 per unit raising gross proceeds of $2,698,849. Each unit consists of one common share and a one-half share purchase warrant exercisable into one common share at a price of $0.20 for a term of one year. A fair value of $762,920 was assigned to these warrants. The Company incurred legal and filing expenses of $17,246, finders' fees of $200,335 and issued 619,783 finders' warrants which have the same terms as the private placement warrants. A fair value of $115,575 was assigned to these finders' warrants.

On July 5, 2011, the Company closed a non-brokered private placement of 7,999,999 units at a price of $0.15 per unit for gross proceeds of $1,200,000. Each unit comprised of one common share and one-half share purchase warrant exercisable into one common share at a price of $0.20 for two years. A fair value of $343,451 was assigned to these warrants. The Company incurred legal and filing expenses of $9,297, finders' fees of $89,206 and issued 750,383 finders' warrants which have the same terms as the private placement warrants. A fair value of $108,322 was assigned to these finders' warrants.

$1,419,778 of the company's capital was used on exploration expenditures in the year ended November 30, 2011 and $842,941was utilized in operating activities.

The Company repaid $939,285 of various short term loans during the year ended November 30, 2011.

The Company's financial condition is contingent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of these properties. The Company has historically relied upon equity financings to satisfy its capital requirements, and will continue to depend upon equity and/or debt financings to raise sufficient funds for its exploration activities.

There can be no assurance the Company will be able to obtain the equity and/or debt financings required in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects.

Although the Company has been successful in the past in financing its activities through the sale of equity securities there can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on the Properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

CAPITAL RESOURCES

Share Capital
As at March 27, 2012, the date of the MD&A for the year ended November 30, 2011, the Company had 45,321,872 common shares outstanding with share capital of $18,264,290. The Company also had 2,018,750 stock options and 4,730,383 share purchase warrants outstanding that are convertible into common shares of the Company on a one to one basis.

Effective December 17, 2010, the Company consolidated its common shares on the basis of eight old common shares for one new common share. All share and per share amounts have been retroactively restated to reflect this stock consolidation.

<u>Commitments relating to exploration and evaluation assets</u>

Empire Mine Property, USA
The Company has the following commitments with respect to the Company's Empire Mine Property.

Due date	**Amount**
Annually royalty due on November 1 of each year	US$57,000
Advance royalty due on June 1, 2012	US$30,000
Due upon sufficient drilling to make the initial reserves of Empire Mine Property calculation is completed	US$11,500 cash or Musgrove's shares with the same market value
Due upon the completion of the resource calculation	US$31,500 cash or Musgrove's shares with the same market value
Due upon the completion of a NI 43-101 report which is planned to finish within 5 years from 2011.	US$51,500 cash or Musgrove's shares with the same market value
Due upon the completion of a Record of Decision issued by the United States Forest Service or the completion of a Permit to Operate issued by the State of Idaho	US$175,000 cash or Musgrove's shares with the same market value
Due upon completion of a land exchange with the United States Forest Service	US$50,000 cash or Musgrove's shares with the same market value

Musgrove Creek Property, USA
The Company has the following commitments with respect to the Company's Musgrove Creek Property.

Scheduled payment date	**Amount**
Annually lease payment due June 12 in each year.	US$50,000
Annual minimum exploration expenditure	US$100,000

Charay Property, Mexico
The Company has the following commitments with respect to the Company's Charay Property

Due date	**Amount**
Minimum exploration expenditures incurred by March 1, 2012	US$575,000
Minimum exploration expenditures incurred by September 30, 2012	US$287,500
Option payment due by November 30, 2012	US$851,000 and C$125,000
Option payment due by November 30, 2013	US$1,566,300

OFF BALANCE SHEET ARRANGEMENTS

As at November 30, 2011 and 2010, the Company had not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Balances due to related parties are unsecured, non-interest bearing, and have no specified terms of repayment. All related party transactions were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

Details of the Company's related party transactions not disclosed elsewhere in this MD&A are as follows:

Name	**Nature**	**Amount**
Transaction with management:		
Rana Vig, CEO	Management fees	$ 7,500
Rana Vig, CEO	Consulting fees	$46,250
Jack Bal, former CEO and director	Management fees	$75,000
Transactions with directors who were not officers:		
Lorne Torhjelm, ex-director	Management fees	$15,000
Upper Canyon Management, a company with common director (Ben Herring) with Musgrove	Rent and administrative support income	$93,306
Transactions with other related parties	N/A	$Nil

Balances due to related party as at November 31, 2011are as follows:

Name	**Nature**	**Amount**
Due to management:		
Rana Vig, CEO	Management fees	$ 7,500
Jack Bal, ex-CEO/ex-director	Management fees	$7,500

During the year period ended November 30, 2011, the Company did not pay or grant any short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits to its management. Share-based payments paid to the Company's management and directors for the year ended November 30, 2011 are as follows:

Name	Number of options granted and vested	Value of the option vested
Jack Bal, former, President & director	500,000	$125,000
Lorne Torhjelm, CFO & director	250,000	$62,500
Rana Vig(i)	250,000	$62,500
Benjamin G. Herring, director	200,000	$50,000
D. Roger Scammell, director	200,000	$50,000

Note (i) Rana was appointed to the Company's CEO on October 20, 2011. He received these options in the capacity of the Company's consultant instead of CEO in February 2011.

COMMITMENTS

In addition to the mineral property option agreement commitments, the Company entered into a five-year lease agreement for office premises effective April 1, 2008. Minimum annual payments for basic rent, operating costs and property taxes are as follows: 2012 - $94,725, 2013 - $31,829.

SUBSEQUENT EVENTS

On December 1st, 2011 the Company received a payment of $146,000 from Grand Peak Capital Corp. As per the agreement, $125,000 of this is the first payment to acquire the Company's 50% holding of the Vianey property in Mexico. The remaining $21,000 is to cover the value-added requirements of that country.

On January 25, 2012, the Company entered into a loan agreement to for $150,000. The loan will accrue interest at 12% per annum and is due July 30, 2012. The loan is secured by the Company's interest in the Musgrove Property.

On February 16, 2012, the Company received approval from the Exchange to settle outstanding debt of $488,914 by issuing 4,889,143 shares.

CRITICAL ACCOUNTING ESTIMATES

The Company has made no assumptions about matters that are highly uncertain, except for those disclosed in Note 2 of the consolidated financial statements for the year ended November 30, 2011. Critical accounting estimates are those that materially affect the consolidated financial statements and involve a significant level of judgment by the Company. Significant areas requiring the use of management estimates include the assessment of recoverability of mineral properties and property and equipment, the determination of the amortization period of property and equipment, the estimated amount of accrued liabilities and asset retirement obligations, the realization of future tax assets, and the determination of the fair value of stock based compensation. Actual results may differ from these estimates.

RISKS AND UNCERTAINTIES

The exploration for mineral deposits is highly speculative activities and is subject to significant risks. The Company's ability to realize its investments in exploration projects is dependent upon the discovery or acquisition of mineral resources and mineral reserves, and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration activities will be successful. The exploration of mineral resources and mineral reserves involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company has no source of financing other than those identified in the previous sections.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Accounting Standards Board of the CICA announced on February 13, 2008 that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced with international Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011. Companies will be required to prepared and present an opening IFRS statement of financial position at the date of transition to IFRS. For the Company, the transition balance sheet date is December 1, 2010 as it is adopting IFRS on December 1, 2011 with one comparative period.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

FORWARD LOOKING STATEMENTS

This discussion and analysis contains forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations. For a thorough discussion and analysis of the risks and uncertainties affecting the Company we refer you to the Annual Information Form (available on Sedar at www.sedar.com). All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when, and if, a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made.

The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.

Officers and Directors:

Rana Vig, President, CEO and Director
Jamie Lewin, CFO
T. Greg Hawkins, Director
Thomas R. Tough, Director
Norman Brewster, Director

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