Form 51-102F1
Management's Discussion & Analysis (MD & A)

Forward-Looking Information

This MD&A contains "forward-looking information" that is based on management's expectations, estimates and projections as of the date of this MD&A. Forward looking information in this MD&A can frequently be identified as incorporating such words as "plans", "becomes", "expects", "estimates", "forecasts", "intends", "anticipates", "believes", "may", "could", "would", "might" or "will". This forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by the forward looking information in this MD&A. Actual results may vary materially from the forward looking information contained in this MD&A. The forward-looking information contained in this MD&A is based on the information available as of the date of this MD&A and we have no intention of updating them except as required by applicable securities law. Numerous events and circumstances could occur subsequent to the date of this MD&A that could cause the actual results, performance or achievements that may be expressed or implied by the forward-looking information.

Forward-looking statements are included in sections 1.2, 1.3, 1.4, 1.6, and 1.8. Examples of such forward looking information included in this MD&A include, but are not limited to, trends in the marketplace favoring both Quizam's products; the demand for Corporate Computer training being fueled by the increased reliance on computers in the workplace; growing use of the internet helping to improve the awareness and consequent demand for the Quizam product; demand for Quizam's products increasing; the large global increase in the use of cell phones and internet, together with an increased appreciation for education and training giving the company excellent strategic positioning; all future global License sales will be in Canadian dollars; there can be no assurance that the company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable; the company will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings; broadening of On-TrackTV; increasing our On-TrackTV sales team; significant parental/family demand for study tools; inventory increasing in value; anticipating receiving deferred purchases; management anticipates more Country Licenses coming on board and increased website visits in the coming quarters.

All of the above forward looking statements are subject to significant risks and uncertainties. Certain material risk factors, that could cause actual results to differ materially from the forward-looking information contained in this MD&A include, but is not limited to, changes in the actions of competitors; fluctuations of exchange rates; the trading level of the company's stock; the continued availability of financing on appropriate terms for future projects; the continued increase of commercial run rates; a decline in market liquidity, and the increased volatility of global markets. Events and circumstances that occurred during the six months ended November 30, 2011, which are reasonably likely to cause actual results to differ materially are the volatility of the global economy and increased competition which could prevent the company from improving

its cash position, improving profitability, increasing Country Licenses or completing necessary financings; decreased usage of the internet, cell phones, and PDA's which could decrease demand for Academic Quizzing software and Quizam's products; the inability to hire appropriate staff and the results of product development activities could prevent further revisions to the software and the development of new products.

The current economy increases the uncertainty of forward looking statements and information included in the MD&A.

1.1 Date of Information

January 26, 2012

1.2 Overall Performance

We are pleased with development of On-TrackTV as it has received a great deal of attention in Canada, the United Kingdom and Bahrain and is gaining traction in Australia**.** On-TrackTV distributes on-line information technology learning over the internet. The business model is based on self-service through a website with residual subscriptions. People are going to the On-TrackTV site and using the training.

We continue to enhance On-TrackTV's Learning Management System (LMS) with additional features. This is gaining more and more attention from large target corporations. The LMS allows administrators to group users on their team, group assignments to make custom curriculum and to assign custom curriculum to various user groups. Thanks to our Quizam Quizzing Engine, online vignettes now come with their dedicated quizzes. All of the aforementioned new features come with full reporting that allows managers and administrators to monitor their team's usage and progress. More recently we have added an Auto Email Notification system that coaches and reminds participant's to keep up on their learning cycle. It automatically tracks and sends customized intelligent emails to the participant and team leaders.

Though the Canadian economy is strong much of the current global economy is unstable and uncertain. Many other countries such as Greece, France, the United States of America, Bahrain and the United Kingdom are less stable. The company competes in the global marketplace and the instability of the global economy creates a more challenging environment for the company. In addition the strong Canadian dollar makes our product more expensive globally.

It appears that trends in the marketplace are favoring Quizam's On-TrackTV product. The demand for corporate computer training is being fueled by the increased reliance on computers in the workplace coupled with the continued releases of new products from software producers like MicroSoft.

Our page hits world wide is as follows:

- March, April and May 2010 we had over 59,000, 29,000 and 25,000 page hits respectively.

- June, July and August 2010 we had 19,000, 18,000 and 19,000 page hits respectively.
- September, October and November 2010 we had 13,000, 12,000 and 17,000 page hits respectively.
- December 2010, January 2011 and February 2011 the aggregate page hits increased significantly to 29,000, 38,000 and 40,000 respectively.
- June, July and August 2011 we had 20,000, 33,000 and 32,000 page hits respectively.
- September, October and November 2011, we had a total of 130,000 page hits and a total of 74,000 video downloads. Management sees this accelerating trend continuing.

We are currently transitioning from face to face training to online training. Our online division is growing faster than the face to face training division and the ontracktv.com website is growing much faster than the On-Track face to face training website.

Quizam signed an exclusive agreement for the sale and distribution of ontrackTV.com into the UK market under the name ontrackTV.co.uk. The ontrackTV.co.uk library of online learning videos is sold via annual subscriptions to those seeking to learn about common software packages. With educational videos, users can learn how to use programs like Microsoft Excel, Microsoft Word, Microsoft PowerPoint, Adobe InDesign, Adobe Dreamweaver and many others. Our UK partner is continuing to forge new clients for us in the UK market. We have also been focused on website development for Australian and South African partners.

In March 2010 we established a new partner in the Middle East. We are looking forward to some success with this new territory as well. We will soon start to deliver an Arabic version of our training.

Until now On-TrackTV has focused on information technology computer training, however, due to client demands and custom training requests we are now expanding the curriculum to include soft skill training for corporations. We have added new soft skill courses such as Conflict Resolution in the Workplace, Brain Storming and Increasing Workplace Assertiveness. We have also added 500 new on-line courses in trades including apprentice programs for plumbing, electrical, pipe fitting and carpentry.

In addition to the training services described above, our global strategy with On-TrackTV has been to place our tags on partner's websites, however, revenue from this source has been minimal so far.

The company has two teams familiar with both markets working in Canada and the United Kingdom. Increased demand for On-TrackTV has resulted in reassigning some of the Quizam Software team and as a result, Quizam Software development and sales efforts have become secondary to On-TrackTV. However, we are still working to develop a free shared online Quizam community.

We are also adding administrative components to On-TrackTV which will broaden our corporate appeal. We are looking at broadening On-TrackTV to include other broadcasts

such as CEO messages, compliance issues, and other customized corporate communication requirements for clients. We plan to increase our On-TrackTV corporate sales team and to sell the product to Fortune 500 companies.

Management feels that the growing use of the internet will help to improve the awareness and consequently demand for the Quizam product.

Management sees the demand for Quizam's products increasing. The global increase in the use of cell phones and internet, together with an increased appreciation for education and training will give the company excellent strategic positioning. We are currently developing products for handheld devices such as iPhones and Blackberries.

The company is continuing to add quizzes to its internet library. Many of the topics are classic and timeless. As this library continues to grow it becomes a valuable asset to the company. The company is exploring ways of accelerating the growth of this library either through corporate purchases of content or perhaps a "community" sharing model where quizzes can be added by global users. In either case management sees this inventory increasing in value as time goes on.

During the six month ended November 30, 2011, the company's working capital position increased and its cash position decreased. For the six months ended November 30, 2011, the company also decreased its net loss as compared to the six months ended November 30, 2010.

1.3 Results of Operations

Revenue for the six months ended November 30, 2011 remained relatively consistent with the comparative period at $284,129 from $282,784 during for the six months ended November 30, 2010. Revenue increased slightly as a result of focusing on the On-Track-TV market. This focus on the more profitable side of the business reduces our focus on face to face training which decreases volume but increases margin. Net loss before other items decreased to $524,370 (2010 - $546,019). Operating expenses for the six months ended November 30, 2011, decreased to $808,499 from $828,803 during the six months ended November 30, 2010 mainly as a result of a decrease in interest on related party debt, investor and finance development, office and miscellaneous, regulatory fees, travel and business development, offset by an increase in On-Track TV development costs, rent, and subcontractors. This also resulted in a decrease in net loss of $21,003 to $523,515 during the six months ended November 30, 2011.

The significant changes were as follows:

- Interest on related party debt costs decreased to $9,027 during the six months ended November 30, 2011 (2010 – $11,458) as a result of decreased amounts owing to a significant shareholder. Amounts owing to the shareholder decreased due to additional repayments of loans to a related party.
- Investor and finance development decreased to $26,883 during the six months ended November 30, 2011 (2010 -$30,388). This is as a result of a decrease in the use of investor and finance services.

- Office and Miscellaneous expenses decreased to $36,607 for the six months ended November 30, 2011 (2010 - $50,549). The decrease in office expenses was as a result of decreased manual costs, part time labour costs and hiring and recruiting costs.
- On-TrackTV development costs increased to $216,063 for the six months ended November 30, 2011 (2010 - $197,433). The increase in On-TrackTV costs is as a result an increase in salaries and wages related to the completion of a set of on-line curriculum.
- Regulatory fees expenses decreased to $5,420 during the six months ended November 30, 2011 (2010 - $12,813) as a result of reduced private placements.
- Rent expenses increased to $101,098 during the six months ended November 30, 2011 (2010 - $91,928) as a result of increased rent on the Company's offices.
- Travel and business development decreased to $39,885 during the six months ended November 30, 2011 (2010 - $85,916) as less travel was done during the six months ended November 30, 2011.

The company's cash position has decreased during the six months ended November 30, 2011, due to operating expenditures and repayments of amounts owed to related parties. The amount of accounts receivable has decreased from May 31, 2011 to November 30, 2011. Our training division continues to improve its performance and management feels we are gaining more market share every quarter. We are blending our On-TrackTV with our face to face offerings to attract more large clients.

1.4 Summary of Quarterly Results

The effect of applying the treasury stock method to the company's loss per share calculation is antidilutive. Therefore basic and diluted losses per share are equal for the periods presented.

The quarterly periods from February 28, 2010 to May 31, 2011 are presented under pre-changeover Canadian GAAP. The quarterly periods ended August 31, 2011, and November 30, 2011, are presented under International Financial Reporting Standards.

	IFRS		Pre-Changeover Canadian GAAP					
Description	November 30, 2011	August 31, 2011	May 31, 2011	February 28, 2011	November 30, 2010	August 31, 2010	May 31, 2010	February 28, 2010
Net Sales	$154,080	$130,049	$155,064	$136,958	$144,756	$138,028	$120,982	$209,163
Income or (loss) before other items	$(294,794)	$(229,523)	$(276,012)	$(250,889)	$(259,722)	$(286,297)	$(376,535)	$(329,520)
Net Income or (loss) for the period	$(294,433)	$(229,082)	$(275,334)	$(250,379)	$(258,911)	$(285,607)	$(375,606)	$(327,413)
Net income (Loss) before other items per share basic and diluted	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.02)
Income (Loss) per share basic and diluted	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.02)

During the three months ended February 28, 2010, On-Track TV UK began selling licenses, resulting in an increase in revenues during the period.

Revenue continued to increase during the fiscal quarter ended February 28, 2010 as a result of the improving economy, restored radio advertising, On-TrackTV sales and spin off classroom training from On-TrackTV sales.

Revenue decreased during the fourth quarter ended May 31, 2010 as a result of disruptions caused by the Olympics during the last part of the third quarter and the beginning of the fourth quarter. Loss before other items and net loss during the quarter ended May 31, 2010 was comparable to the last quarter ended 2009. The increase in net loss before other items was attributable to an increase in On-TrackTV production costs, increased, wages and travel expense.

Revenues increased during the quarter ended August 31, 2010 as a result of customers re sponding favourably to the On-Track family of products and services. Cross marketing of On-TrackTV and On-Track computer live training is helping boost sales on both fronts. In addition, the company has started to do webcasts using GOTOMEETING. This allows our instructors to broadcast a lecture worldwide over the web to 1000's of participants concurrently. The new services have also increased revenues. The increase in revenues also decreased our net loss. Net loss and net loss before other items also decreased as a result of achieving better economies of scale as a result of increased revenue and a decrease in stock based compensation.

Revenues increased during the three months ended November 30, 2010, from the prior quarter as a result of a cross marketing effect between On-Track training and On-TrackTV as clients have opted for a blended solution. Net loss and net loss before other items also decreased as a result of increased operating efficiency, increased revenue and a decrease in stock based compensation. Also, gross margin is higher on On-TrackTV online training as opposed to classroom training and there has been a shift in focus to On-TrackTV online which has helped decrease net loss.

Revenues decreased during the three months ended February 28, 2011 mostly due to one of our larger clients deferring their purchase. Last year for the same quarter they did over $70,000 in training and originally had planned to do the same this year however technical challenges with their proprietary system has delayed that purchase.

Revenue increased during the three months ended May 31, 2011, as there has been an increase in Ontrack-TV and face to face business as well as increased room rentals. Net loss increased during the fourth quarter over the third quarter as a result of an increase in stock-based compensation during the fourth quarter related to the grant of options.

Revenue decreased during the three months ended August 31, 2011, as a result of focusing on the On-Track-TV market where the sales cycle is long and the small sales result in less revenue. This focus on the more profitable side of the business reduces our focus on face to face training which decreases volume but increases margin. Net loss decreased during the first quarter ended August 31, 2011, over the fourth quarter ended May 31, 2011, as a result of a decrease in operating expenses.

Revenue increased during the three months ended November 30, 2011, mainly due to an increase in On-Track TV sales. There were no such sales in the comparative period ended November 30, 2010. Net loss increased during the second quarter ended November 30, 2011, over the first quarter ended August 31, 2011, as a result of an increase in operating expenses.

1.5 Liquidity and Capital Resources

The company's liquidity has increased at November 30, 2011 since May 31, 2011.

	November 30, 2011	May 31, 2011
Cash and cash equivalents	$69,793	$181,585
Amounts receivable & prepaid expenses	$72,744	$70,786
Accounts payable and accrued liabilities	$55,526	$63,473
Due to a related party	$25,089	$309,677

As at November 30, 2011, the company had cash of $69,793 and a working capital deficiency of $26,006, compared to cash of $181,585 and a working capital deficiency of $119,739 at May 31, 2011. The company's decrease in cash is attributable to operating expenditures and a repayment of related party debt.

In October 2011, the Company completed a non-brokered private placement consisting of 6,500,000 units at $0.05 per unit for proceeds of $325,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of $0.10 per share for the first six months and $0.20 per share for the second six-month period expiring on October 19, 2012. In connection with the private placement, the Company issued 100,000 common shares as finders' fees with a fair value of $5,000.

In August 2011, the Company completed a non-brokered private placement consisting of 6,000,000 units at $0.05 per unit for proceeds of $300,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of $0.10 per share for the first six months and $0.20 per share for the second six-month period expiring on August 29, 2012. In connection with the private placement, the Company issued 315,000 common shares as finders' fees with a fair value of $15,750.

During the six months ended November 30, 2011 and 2010, there were no warrants or options exercised.

During the six months ended November 30, 2011 the Company used $540,010 of cash for operating activities compared to $609,888 in the comparative period. The company has financed its operations for the last two years mainly through the issuance of share capital and advances from related parties. The company has raised $620,272 and $684,880 net of share issuance costs, through the issuance and subscription of share capital during the six months ended November 30, 2011 and 2010, respectively. The Company also repaid advances from related parties of $183,697 during the six months ended November 30, 2011

and received advances of $529,949 from related parties during the six months ended November 30, 2010.

The company has incurred losses as it continues to develop its software products. The company continues to be dependent on its cash reserves and future financings.

There can be no assurance that the company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the company may be required to delay or scale back its software development and marketing. Any equity offerings will result in dilution to the ownership interests of the company's shareholders and may result in dilution to the value of such interests.

Currently the company has insufficient funds to meet its requirements for the coming year. It will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings.

1.6 Capital Resources

The Company's capital currently consists of common shares, options and warrants. As the Company is in the development stage, its principal source of funds is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Company's educational software development and internet training development to ensure the growth of activities.

The company's only capital commitments are two office leases through October 2013. The minimum lease payments over the remaining leases are $61,672 for the balance of fiscal 2012, $126,112 for 2013, and $53,370 for 2014.

1.7 Transactions with Related Parties

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties and on terms and conditions similar to non-related parties as follows:

(a) The Company owes $25,089 (November 30, 2010 - $575,551) to a significant shareholder, who is also a director and officer. The loan is secured by the assets of the Company, bears interest at 12% per annum and is due upon demand.

(b) Management, administration, accounting and software development are provided by a company owned by a significant shareholder. An amount of $281,696 (2010 - $328,397) was paid for these services during the six months ending November 30, 2011.

(c) Marketing and publicity fees totalling $37,946 (2010 - $2,991) were paid to a company owned by a relative of one of the directors.

(d) Marketing and publicity fees totalling $nil (2010 - $24,628) were paid to relatives of one of the directors.

(e) A significant shareholder was paid $9,029 (2010 - $11,458) in interest on loans to the Company. These fees were recorded at their exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related entities.

1.8 Proposed Transactions

The company plans to continue to focus on growth and profitability. The main strategies in the process include:

a) Strict focus on increasing gross sales in each month compared to the same month in previous year;
b) Increase of pricing in all areas;
c) Huge expansion of course offerings beyond IT and computer training. Some of the new course offerings include customer service, conflict resolution, minute note-taking, and project management;
d) Special marketing team devoted to gaining fortune 500 companies as clients for On-Track TV;
e) Continue to develop On-Track TV markets in the UK, North America, Bahrain (Middle East) and Australia;
f) Add quizzing component to On-Track TV where users are quizzed after viewing content;
g) Offering web development services under the name On-Track Web Development. This enables us to leverage our in house team and increase revenue; and
h) Continue to enhance the LMS (learning management system) of the On-Track TV website.

1.9 Critical Accounting Estimates

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. Significant areas requiring the use of management estimates relate to revenue recognition, the valuation allowance for future income tax assets and share-based payments. Actual results could differ from these estimates.

1.10 Changes in Accounting Policies

Recently Adopted Accounting Policies

The Company has adopted IFRS effective June 1, 2011 with a transition date of June 1, 2010. Prior to the adoption of IFRS the Company prepared its financial statements in accordance with Canadian GAAP.

The comparative information presented in these first condensed interim financial statements for the six months ended November 30, 2010, year ended May 31, 2011 and the opening financial position as at June 1, 2010 (the "Transition Date") have been prepared in accordance with the accounting policies referenced in Note 3 and IFRS 1, *First-Time Adoption of International Financial Reporting Standards* ("IFRS 1").

a) Initial elections upon adoption

The Company adopted IFRS in accordance with IFRS 1 which requires the retrospective application of IFRS at the Transition Date with all adjustments to assets and liabilities taken to deficit, subject to mandatory exceptions and the application of optional exemptions. The IFRS 1 exceptions applied in the conversion from Canadian GAAP to IFRS by the Company are explained as follows:

(i) Share-based payments – The Company elected under IFRS 1 to apply IFRS 2, *Share-Based Payments* only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

(ii) Business combinations – The Company elected under IFRS 1 to not to apply IFRS 3, *Business Combinations* retrospectively to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

(iii) Compound financial instruments – The Company has elected under IFRS 1 not to retrospectively separate the liability and equity components of any compound instruments for which the liability component is no longer outstanding at the Transition Date.

b) Estimates

IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition Date are consistent with estimates made at the same date under Canadian GAAP.

In preparing the Company's IFRS Transition Date statement of financial position management noted that no adjustments were necessary to be made by the Company previously in its financial statements prepared in accordance with previous Canadian GAAP.

In preparing the opening IFRS statement of financial position and the financial statements for the interim period ended November 30, 2011, the Company did not identify any material adjustments to the amounts reported previously in the financial statements prepared in accordance with Canadian GAAP. IFRS 1 requires an entity to reconcile equity, comprehensive loss, and cash flows for prior periods. There were no changes made to the statements of financial position, statements of loss and comprehensive loss, and cash flows.

Future Accounting Changes:

New accounting standards effective June 1, 2012

Amendments to IFRS 7 *Financial Instruments: Disclosures* - In October 2010, the IASB issued amendments to IFRS 7 that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed interim financial statements.

IAS 12 *Income taxes* - In December 2010, the IASB issued an amendment to IAS 12 that provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed interim financial statements.

New accounting standards effective June 1, 2013

IFRS 9 *Financial Instruments* - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company:

IFRS 10 Consolidated Financial Statements - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 Joint Arrangements - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing

IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

IFRS 12 Disclosure of Interests in Other Entities - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

Each of the new standards, IFRS 9 to 13 and the amendments to other standards, is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its condensed interim consolidated financial statements or whether to early adopt any of the new requirements.

1.11 Financial Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash and cash equivalents, accounts receivable, loans receivable, due to related parties and accounts payable. At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has recognized its cash and cash equivalents, accounts receivable and loans receivable at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are

designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

b) Financial liabilities

The Company has recognized its accounts payable and due to related parties as other financial liabilities. Accounts payable are recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. The Company derecognizes a financial liability when it its contractual obligations are discharged, cancelled or expire.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable. To minimize its credit risk, the Company maintains substantially all of its cash with high quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. Credit risk from accounts receivable encompasses the default risk of its customers. The Company manages its exposure to credit risk by only working with reputable companies and by performing on-going credit evaluations of its customers' financial condition and requires letters of credit or other guarantees whenever deemed appropriate. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts. Four of the Company's customer accounts (2010 - five) comprise 41% (2010 - 37%) of accounts receivable.

Of the 61 days and over balance outstanding at November 30, 2011, 44% has been subsequently collected as at December 22, 2011. Management believes the remaining balance is fully collectible.

Liquidity Risk

The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term exploration, development, and general and administrative expenditures. The Company's cash equivalents are invested in business guaranteed investment certificates which are immediately available on demand when required. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the United States dollar and Great Britain pound. Financial instruments that subject the Company to foreign currency exchange risk include cash and accounts receivable. 99% of the Company's revenues are denominated in Canadian Dollars (2010 - 95%) while substantially all of the Company's expenses are denominated in Canadian dollars. At November 30, 2011, a fluctuation of 10% in the currency exchange rate could result in a fluctuation of approximately $626 on our

consolidated results of operations, based on US$ and UK£ account balances. The Company does not engage in any hedging activity.

Interest Rate Risk

The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company's ability to raise capital to fund development is subject to risks associated with fluctuations in the market. Management closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

1.12 Additional Information

Additional information about the company is available on SEDAR (Website: www.sedar.com)

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of shares Issued or issuable
Common shares	52,333,709
Stock options available	920,000
Warrants	18,250,000

Subsequent Events

The following event occurred subsequent to November 30, 2011:

On December 1, 2011, 320,000 options exercisable at $0.10 per share expired unexercised.