JERICO EXPLORATIONS INC.

MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended June 30, 2011

Prepared as of August 25, 2011

Form 51-102-F1

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Date of This Report

This MD&A is prepared as of August 25, 2011, and includes information to that date.

This Management Discussion and Analysis ("MD&A") focuses on the financial condition and results of operations of Jerico Exploration Inc. (the "Corporation") for the nine months ended June 30, 2011. This MD&A should be read in conjunction with the Corporation's audited financial statements and notes related thereto for the fiscal years ended September 30, 2010 and 2009, both of which have been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts herein are expressed in Canadian Dollars.

Certain statements contained in this document may constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", "investigate", "looking at" as they relate to the Corporation or its management, are intended to identify forward-looking statements or information. Such statements or information reflect the Corporation's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or information, including among other things, those risk factors which are discussed elsewhere in documents that the Corporation files from time to time with securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements or information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.
The Corporation expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Overall Performance

Description of the Business

The Corporation was incorporated under the *Canada Business Corporations Act* on February 2, 2004. The Corporation has one wholly-owned subsidiary, Jerico Explorations Arizona, Inc., incorporated under the laws of Arizona on September 30, 2005.

The Corporation was incorporated to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties. The Corporation does not have any producing property. Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the Corporation's ability to obtain the financing required to pursue exploration and development of its properties, and profitable future production or the proceeds from the sale of its properties. The Corporation must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

Property Activity

Harmony Property

Background

On March 1, 2004, the Corporation entered into a Mining Property Lease and Option to Purchase Agreement (the "Harmony Claims Purchase Agreement") for a right to purchase up to a 100% interest (subject to a 1% new production royalty) in the Harmony Claim block, a contiguous block of nine unpatented mining claims comprising 165 acres located in the Wallapai Mining District, Mohave County, Arizona, approximately 16 miles by road north of Kingman (the "Harmony Property"). The Harmony Claims Purchase Agreement required a series of payments totaling US$100,000, which payments the Corporation completed in full effective June 1, 2007.

On May 30, 2005, the Corporation filed on SEDAR a NI 43-101 technical report related to the Harmony Property dated April 18, 2005, and titled "Technical Report, Golconda Project, Wallapai Mining District, Mohave County, Arizona" (the "Technical Report") prepared for the Corporation and which is available for viewing at www.sedar.com. The Technical Report was prepared by Douglas F. Irving, P.Eng., of Chapman, Wood and Griswold, Inc. of Albuquerque, New Mexico, the professional engineer engaged by the Corporation, who is a Qualified Person as such term is defined in National Instrument 43-101.

Historic Exploration Work – Conclusions and Recommendations

In December 2007 and January 2008 the Corporation conducted and completed an exploration phase in the Golden Eagle footwall zone and the Golden Eagle main zone on the Harmony Property. Full details about such exploration is set out in the Corporation's annual MD&A for the year ended September 30, 2008 filed on SEDAR on January 28, 2009. The drilling at the Golden Eagle zone on the Harmony Project confirmed the discovery of gold-silver mineralization that was made by Cyprus Minerals in 1987 to 1988. Mineralization was encountered across true widths of 30 to 40 feet along a 300 foot strike length. Drilling in a footwall structure confirmed the presence of disseminated gold-silver mineralization in an approximate 30 to 35 foot wide zone identified from earlier sampling of old surface and underground workings. Additional exploration on the project is recommended by the attending professional engineer and the geologist.

The technical content of the conclusions and recommendations of the drilling phase discussed herein was provided and reviewed by Douglas F. Irving, P.Eng., of Chapman, Wood and Griswold, Inc. of Albuquerque, New Mexico, the professional engineer engaged by the Corporation for such exploration phase, and who is a Qualified Person as such term is defined in National Instrument 43-101.

Based on the results of the assay and the geologist's recommendations, and assuming available financing, the Corporation may find it feasible to continue to expand the exploration program as recommended in the Technical Report.

Exploration Work Summary for the three Fiscal Quarters ended June 30, 2011

During the three fiscals quarters ended June 30, 2011 the Corporation incurred $2,254 exploration and maintenance expenditures on the Harmony property. For comparative purposes: During the fiscal year ended September 30, 2010 these expenditures amounted to $2,406 for exploration expenditures, and $620 during fiscal year 2009, compared to $138,073 of exploration costs expended during the fiscal year ended September 30, 2008. The expenditures for that 2008 period consisted of $17,729 of access improvement and drill pads preparations, $46,988 of prospecting, sampling and assaying, and $73,356 of reverse circulation drilling.

The differences were caused by a change in the Corporation's strategy regarding its exploration work plan starting in the 2009 fiscal year. Due to tight capital markets, in management's view, there was great uncertainty about the Corporation's ability to obtain additional financing in the near future to support a decision to proceed with further drilling under such circumstances. Therefore, the directors of the Corporation held off on decisions about expanding the exploration program recommended under the Technical Report until capital market conditions improve. Now that reasonable activity has been steadily returning to the financial markets for resource exploration companies, the Corporation anticipates positive results from its focus on seeking out additional financing opportunities to expand its exploration program either with the Harmony Property or other new opportunities.

Recent Developments

As stated, management and the Board of Directors of the Corporation kept the activities of the Company at minimal maintenance level with the intention to carry the Company through the period of economic uncertainty and volatility in the capital markets that prevailed due to the economic recession resulting from the global credit crisis. Currently, the Company is optimistic about its aim to seek additional financing to proceed with further exploration activities.

In January 2009, the Board of Directors of the Corporation resolved to seek disinterested shareholder approval and TSX-V Exchange acceptance to extend the expiry date of 375,000 stock options (the "2005 Options") previously granted to certain directors of the Corporation, all of which had approaching expiry dates of August 26, 2010. On March 31, 2009, at the Corporation's AGM, disinterested shareholder approval was obtained for the proposed extension of the expiry date of the 2005 Options. Then in April 2009, the Board resolved to extend the expiry date of the 2005 Options from August 26, 2010 to August 26, 2015. On June 08, 2009, the TSX-V Exchange granted approval of the extension of the expiry date of the 2005 Options to August 26, 2015. All other terms of these options will remain the same.

In February 2009 the Board granted to a director of the Corporation options to acquire 100,000 common shares at the exercise price of $0.31 until January 22, 2019, such options vesting at 15% on the date of granting and further vesting at the rate of 15% every three months until fully vested. These options were fully vested in August 2010.

In August 2010 two independent directors resigned from their positions and duties as such.

In September 2010 the then Chief Financial Officer was appointed to the Board of Directors, to comply with the TSX-V requirement to have at least three directors on the corporate Board of Directors. In November 2010 a new independent director was added to the Board to comply with the requirement to have two independent directors as members of the audit committee.

Results of Operations

Operations for the fiscal quarter ended June 30, 2011 compared to the fiscal quarter ended June 30, 2010.

During the fiscal quarter ended June 30, 2011, the Corporation incurred cash expenses of $4,064; consisting of $910 tax accounting fees, $534 of legal fees, $414 of office and miscellaneous expenditures, and $2,206 of filing, sustaining, and transfer fees. Non-cash charges of $9,191 were incurred during the fiscal quarter, consisting of $5,000, representing the estimated value of unremunerated management and administrative services provided by the officers and directors for the quarter, and $4,191, representing the fair value of the stock options vested during the fiscal quarter, as calculated by the Black Scholes option-pricing model. The total administrative expenses thus incurred amounted to $13,255. Interest earned on cash deposits was $3, resulting in a net loss of $13,252 for the fiscal quarter ended June 30, 2011.

The expenditures incurred during the fiscal quarter ended June 30, 2010 were within $500 of the current expenditures. They required cash expenditures of $4,323; consisting of $631 of legal fees, $21 of office and miscellaneous expenditures, and $3,671 of filing, sustaining, and transfer fees. Non-cash charges of $5,000 were recorded, representing the estimated value of unpaid management and administrative services provided by officers and directors for the quarter. In addition, there was a non-cash charge of $4,398, representing the fair market value of the vested stock options during the quarter, as calculated by the Black Scholes option-pricing model. Interest earned on cash deposits for the quarter was $10, resulting in a net loss of $13,711. The net decrease in expenditures of $458 during the fiscal quarter ended June 30, 2011 as compared to the prior year’s quarter is mainly due to lower transfer and filing fees, offset mainly by $910 of tax accounting fees incurred during the current quarter. These fees were charged to the prior quarter during the fiscal year ended September 30, 2010.

Operations for the nine months ended June 30, 2011 compared to the nine months ended June 30, 2010.

During the nine months ended June 30, 2011, the Corporation incurred cash expenses of $21,407, consisting of $910 of tax accounting fees, $9,518 of legal fees, $546 of office and miscellaneous expenses, and $10,433 of filing, transfer and sustaining fees. Non-cash charges of $19,384 were incurred during this period, consisting of $15,000, representing the estimated value of unremunerated management and administrative services provided by the officers and directors for this period, and $14,384, representing the fair market value of the stock options vested during this six months period, as calculated by the Black Scholes option-pricing model. Interest earned on cash deposits was $19, resulting in a net loss of $50,772 for the nine month ended June 30, 2011.

The expenditures incurred during the nine months ended June 30, 2011 were higher by $1,347 as compared the same period of the prior year. Operations during the current period required cash expenditures of $21,407, consisting of $910 of tax fees accounting fees, $9,518 of legal fees, $546 of office and miscellaneous expenses, and $10,433 of filing, transfer, and sustaining fees. Non-cash charges of $29,384 were recorded, consisting of $15,000 representing the estimated value of the unremunerated management and administrative services provided by officers and directors for this period, and $14,384 representing the fair market value of stock options vested during this period, as calculated by the Black Scholes option-pricing model. Interest earned on cash deposits during this period was $19, resulting in a net loss for these nine months ended June 30, 2011 of $50,772 versus a net loss of $49,425 for the nine months period ended June 30, 2010. The net increase in expenditures of $1,347 during the nine months ended June 30, 2011 as compared to the prior year's fiscal period is mainly due to greater legal expenses incurred during the current period of $3,957, caused by legal work pertaining to changes in the configuration of the board of directors. The non-cash charge for fair value of stock options vested during the current period was greater by $2,520, and miscellaneous expenses were greater by $455 as compared to the prior year's period. These greater charges were off-set by $4,699 in greater audit and tax charges recorded during the prior year's fiscal period, which for purposes of the current fiscal period were accrued sufficiently to the fiscal year ended September 30, 2010. These items quoted indicate the cause of the comparative difference in expenditures between the two fiscal periods under review.

Current Assets and Working Capital

As at June 30, 2011, the Corporation had current assets of $39,512, consisting of $35,830 cash, $1,082 HST recoverable, and $2,600 of prepaid expenses (Unamortized TMX annual sustaining fee). Current liabilities at that date were $424, providing working capital of $39,088. At June 30, 2010 the Corporation had current assets of $58,109, consisting of $45,513 cash, $96 GST recoverable, $2,500 prepaid expenses, and $10,000 of an unused legal retainer. Current liabilities at that date were $542, resulting in available working capital of $57,567. The decrease in working capital by $18,479 that occurred between June 30, 2011 and June 30, 2010 is attributable to the reduction in cash of $9,683, used to fund the net operating expenditures requiring cash of $46,278, the payment of property exploration expenditures of $2,201, the additional funding of HST receivable of $986 and of prepaid expenses of $100, and the reduction in payables of $118. Off-setting these cash expenditures has been the utilization of the $10,000 legal retainer, and the receipt of $30,000 upon the exercise of stock options in October 2010. These two items caused the marked difference in the magnitude of the comparative reduction of working capital between the two periods, as referenced in the next paragraph.

The above stated decrease in cash by $9,683, the expensing of a $10,000 legal retainer, less the increase in accrued expenses by $118, less the increase in receivables by $986, and less the increase in prepaid expenses by $100, combine to effect the decrease in working capital of the stated $18,479 during the four quarters ended June 30, 2011, as compared to $38,341 during the four quarters ended June 30, 2010.

Liquidity and Capital Resources

As detailed above in the paragraph titled "*Current Assets and Working Capital*", at June 30, 2011, the Corporation had working capital of $39,088 and a cash position of $35,830.

The Corporation has funded its operations to date from the sale of its equity securities. If additional capital financing arrangements, including public or private sales of debt or equity securities, are insufficient or unavailable, the Corporation will modify its growth, mineral exploration and operating plans to match available funding. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to its shareholders. Debt financing, if available, may involve restrictive covenants with respect to the Corporation's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

As discussed above (see subheading "*Exploration Work Summary for the Fiscal Quarter ended June 30, 2011*" and the heading "*Recent Developments*"), Management plans to continue to contain spending in order to preserve cash and maintain liquidity until it succeeds to secure additional financing or other new opportunities to further its business activities. As stated above under the discussion about the Harmony Property, this also means continuing to hold off on making any decisions about expanding the exploration program on that property as recommended in the Technical Report. Because all payment obligations under the Harmony Claims Purchase Agreement are completed, and the Corporation has no other material payment obligation, the cash expenditures needed to fund basic operating costs are approximately $40,000 per fiscal year.

With current cash assets of $35,830 management anticipates that the Corporation needs to raise at the minimum, $15,000 to continue operations for the ensuing twelve months. Management expects to be able to raise the required amount through a small equity private placement.

Management is not able to assess the likelihood or timing for raising capital for future acquisitions or expenditures. This uncertainty represents a liquidity risk and may impact the Corporation's ability to continue as a going concern in the future. Further, management has noted the development of a possible trend falling out from the ongoing effect of the economic downturn and volatility in the capital markets; that being a trend in the current capital markets for entities to improve economies of scale through mergers and acquisitions. Accordingly, the Corporation may have an increased risk to continue as a going concern in the future because of the currently minimal level of its operations.

Summary of Quarterly Results

The following selected financial information is for the eight most recently completed quarters as derived from the Corporation's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, the notes to those statements and "Results of Operations" herein.

	Three month period ended June 30, 2011 (unaudited)	Three month period ended Mar 31, 2011 (unaudited)	Three month period ended Dec 31, 2010 (unaudited)	Three month period ended Sep 30, 2010 (unaudited)	Three month period ended June 30, 2010 (unaudited)	Three month period ended Mar 31, 2010 (unaudited)	Three month period ended Dec 31, 2009 (unaudited)	Three month period ended Sep 30, 2009 (unaudited)
Total revenue/interest income	$3	$6	$9	$10	$10	$16	$19	$20
Total expenses	$13,255	$20,443	$17,092	$32,528	$13,721	$21,460	$14,279	$32,255
Income (loss) for the period	($13,252)	($20,437)	($17,083)	($32,518)	($13,711)	($21,454)	($14,260)	($32,235)
Net income (loss) for the period	($13,252)	($20,437)	($17,083)	($32,518)	($13,711)	($21,454)	($14,260)	($32,235)
Basic and diluted income (loss) per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Balance Sheet Data:	As at June 30, 2011 (unaudited)	As at Mar 31, 2011 (unaudited)	As at Dec 31, 2010 (unaudited)	As at Sep 30, 2010 (audited)	As at June 30, 2010 (unaudited)	As at Mar 31, 2010 (unaudited)	As at Dec 31, 2009 (unaudited)	As at Sep 30, 2009 (audited)
Total assets	$367,822	$378,582	$394,161	$372,814	$384,218	$392,479	$414,311	$416,426
Total long term financial liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders' equity	$367,398	$371,459	$381,799	$358,785	$383,676	$387,989	$400,711	$406,237

Related Party Transactions

Management continues to provide administrative services to the Corporation without monetary remuneration while the Corporation is in the initial exploration stage. The fair value of management and administrative services received by the Corporation was estimated to be $1,500 per month, plus incidental expenses of $2,000 for the year. The fair values were determined based on market based indicators for time and expertise, and comparable arms length values. The amount has been recorded in the statement of loss, comprehensive loss, and deficit and included as an addition to contributed surplus.

Changes in Accounting Policies

Recent accounting pronouncements

Convergence with International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1 2011. Accordingly on October 1, 2011, the Corporation will adopt IFRS as the basis of preparing its financial statements, and will report its financial results for the quarter ended December 31, 2011 prepared on an IFRS basis with restatement of comparative information presented for the quarter ended December 31, 2010. The Company's transition date of October 1, 2011 will require a reconciliation of any restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. It is expected that the presentation of the financial statements will change noticeably, as the Corporation complies with increased disclosure requirements under IFRS and differing prescribed formats of the balance sheet and statements of income/loss and cash flows.

Management anticipates completing its reporting conversion to IFRS on a timely basis

Corporation's Convergence Plan

The conversion to IFRS is being led by the Corporation's Chief Executive Officer with active participation by the directors and the assistance and guidance of the Corporation's auditors.

Phase 1: Review and Assessment

In this phase, Management has conducted a detailed review of all relevant IFRS standards to identify differences with the Company's current accounting policies and practices, giving separate consideration to one-time accounting policy alternatives that must be addressed at the changeover date, and address those accounting policy choices that will be applied on an ongoing basis in periods subsequent to the changeover to IFRS. Management has completed this review and assessment phase during this third quarter ended June 30, 2011, and is currently in the process of prioritizing and implementing the changes identified.

Phase 2: Implementation

In this phase, Management will be implementing the changes to affected accounting policies and practices, business processes, systems, and internal controls. The changes will be tested prior to the formal reporting requirements under IFRS to insure all significant differences are properly addressed in time for the changeover. This phase has begun and is scheduled to continue into the fourth quarter of 2011, allowing Management sufficient time to comply with reporting under IFRS for the first quarter ending December 31, 2011. For clarity Management is prepared and will begin to implement the provisions of IFRS starting October 01, 2011.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling Interests which replace CICA Handbook Sections 1581 Business Combinations and 1600 Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after March 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for interim and annual consolidated financial statements for fiscal years beginning on or after December 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. Adoption is not expected to have a material impact on the company's financial reporting based on current operations.

Financial Instruments and Other Instruments

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

The Corporation is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, and liquidity.

a) Currency risk

Currently, the Corporation is not exposed to significant currency risks as its capital and operations are in Canadian dollars. At the time the Company expands the exploration program on the Harmony Project, the Company will be contracting services in US Dollars. The Company would be exposed to fluctuations between the currencies which will affect the overall cost of the exploration program.

b) Credit risk

Credit risk is the risk of a financial loss to the Corporation if a counterparty to a financial instrument fails to meet its obligations. The Corporation's cash is held in large Canadian financial institutions. The Corporation does not have any asset-backed commercial paper. The Corporation's receivables consist primarily of GST receivable due from the Federal Government of Canada.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is very limited interest rate risk as the Corporation holds no interest bearing financial obligations.

d) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they become due. The Corporation's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Corporation manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Share Capital and Outstanding Share Information

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in one or more series, having certain rights, privileges, restrictions and conditions as set out in the Corporation's Articles. There have been no preferred shares issued since the Corporation's inception.

As of the date of this MD&A:

Common shares issued	6,699,001
Stock options exercisable between \$0.20, \$0.31, and \$0.55	450,000
Agent's Warrants	Nil
Maximum number of common shares outstanding (fully diluted)	7,149,001

Escrow

As of the date of this MD&A, there are nil common shares that are, or have a right to be, owned by directors and major shareholders held in escrow. On August 26, 2008 all remaining common shares held in escrow (794,700) were released.

Dividend Report and Policy

The Corporation has not paid any dividends since incorporation and it has no plans to pay dividends. The directors of the Corporation will determine if and when dividends should be declared and paid in the future based on the Corporation's financial position at the relevant time. All holders of the common shares in the capital of the Corporation are entitled to an equal share in any dividends declared and paid.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Under Canadian securities laws, because the Corporation is a venture issuer, it is not required to certify the design nor provide an evaluation of its disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and therefore, has not completed such an evaluation. Accordingly, this MD&A does not contain a discussion relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, management of the Corporation is 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 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 issuer's GAAP.

Accordingly, inherent limitations on the ability of the Corporation’s management to design and implement on a cost effective basis DC&P and ICFR for the Corporation may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

For the fiscal period ended June 30, 2010 and for the fiscal period ended June 30, 2011, there were no changes in policies or procedures for DC&P and ICFR.

Risks and Uncertainties

The Corporation’s principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Corporation has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation’s title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Corporation has no significant source of operating cash flow and no revenues from operations. None of the Corporation’s mineral properties currently have reserves. The Corporation has limited financial resources. Substantial expenditures are required to be made by the Corporation to establish ore reserves.

The property interests owned by the Corporation, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Corporation’s mineral exploration may not result in any discoveries of commercial bodies of mineralization. If the Corporation’s efforts do not result in any discovery of commercial mineralization, the Corporation will be forced to look for other exploration projects or cease operations.

The Corporation is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Corporation may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Corporation conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Corporation is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Corporation.

The Corporation currently has limited working capital and incurs significant expenses on an on-going basis by virtue of being a public company, and this represents a significant risk factor. The Corporation will therefore require additional financing to carry on its business, and such financing may not be available when it is needed.

Additional Disclosure for Issuers without Significant Revenue

The Corporation has not had any significant revenues from operations during the fiscal period ended June 30, 2010 and the fiscal period ended June 30, 2011. Consult the audited annual financial statements pertaining to the fiscal year ended September 30, 2009 and the fiscal year ended September 30, 2010 for presentation of the significant acquisition, exploration and operating costs.

Subsequent Events

There were no events to be reported.

Other Information

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