The following management discussion and analysis ("MD&A") is prepared as at April 18, 2011, and should be read in conjunction with the audited financial statements for the year ended December 31, 2010. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The reporting and the measurement currency is the Canadian dollar.

The financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon successful achievement of additional financing, and upon its ability to realize profitable operations. These financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty in meeting anticipated program milestones; uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

<u>Overview</u>

Newton Gold Corp. (the "Company", formerly New High Ridge Resources Inc.) was incorporated under the Business Corporations Act (British Columbia) on June 24, 2004. The Company is listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer under the trading symbol NWG. The Company is a mineral exploration company engaged in the acquisition and exploration of mineral properties in British Columbia and formerly in Peru. In June 2009, the Company disposed of its Peruvian subsidiary. At the time of these financial statements it has not been determined whether the Company's mineral properties contain economically recoverable ore reserves. As at December 31, 2008 the Company wrote down its recorded cost of its mineral property interests to $1 due to lack of funds to explore its properties. As at December 31, 2010, mineral property interests represent accumulated costs for mineral property acquisition and deferred exploration expenditures made on its B.C. properties since January 1, 2009.

In August 2009, the Company entered into an Option Agreement covering its Newton property, as well as certain property held by the Optionee, whereby the Optionee must expend $5 million over seven years to earn an 80% interest in the combined property area. The Company received an assessment report from the Optionee relating to the first year of work completed on the property area covered by the Option Agreement. Expenditures were reported to be $1.88 million. The Company also made advance royalty payments and completed assessment work on its Chuchi property.

A private placement was completed on April 27, 2010 for gross proceeds of $650,000. These funds were used to pay creditors of the Company and to add to general working capital.

During the year ended December 31, 2010, the Company considered completing a transaction that would have resulted in a change of business. The new venture was abandoned on October 13, 2010 and management has re-focused its business activities on mineral resource sector opportunities.

Subsequent to December 31, 2010, the Company added two new directors on January 4, 2011, of which one director became the new President and CEO. Further, on January 17, 2011, the Company accepted the resignation of one director and replaced him with another individual. All three new directors have public mining experience in various capacities with TSX Venture, TSX and NYSE listed companies.

On January 18, 2011, the Company raised gross proceeds of $650,000. These funds will be used to fund exploration activities on the Chuchi property; pay past and current creditors and for general and administrative expenses.

Proposed transaction costs

The Company entered into a non-binding letter of intent (the "LOI"), dated July 9, 2010 and as amended August 25, 2010, with BGL, LLC ("BGL"), a company incorporated in Wisconsin, U.S.A., whereby BGL would license certain intellectual property owned by BGL and grant the non-exclusive right to the Company to market certain products derived from biomass, including finished products derived from cranberries (the "Transaction"). The Company would have had the option to purchase (or lease on terms to have been settled) for US$3,000,000 (i) equipment owned by BGL for the processing of biomass and (ii) a royalty-free license of certain intellectual property for a period of three years from the date of the LOI.

The Company had entered into a consulting agreement with BGL, effective July 1, 2010, for an initial term of three months at the rate of US$20,833 per month whereby BGL would assist in the development of the equipment and intellectual property necessary to execute the Company's BioExtracts business plan. Upon successful completion of the initial term and receipt of all necessary approvals for the Transaction, the consulting agreement could have been extended for a three year term at the same rate of compensation.

On October 13, 2010 the Company elected to terminate the Transaction due to unforeseen delays in progressing the Transaction and uncertainty regarding the availability of funding for the Transaction. Identifiable direct costs of $169,409 relating to the Transaction were recognized as an expense on the Statement of Operations.

A director and officer of the Company expressed interest in pursuing the BioExtracts business plan through an entity that is unrelated to the Company. The board approved the sale of the rights to certain BioExtracts assets in consideration for payment of the sum of $9,700 plus applicable taxes. Of this amount $1,797 was outstanding at December 31, 2010, and has subsequently been paid.

Exploration Properties

Newton Hill Project – British Columbia

The Newton Property is located 108 km west-southwest of Williams Lake, BC, in the Chilcotin Forest District of the Southern Interior Forest Region. The Company has a 100% interest in 9 claims in the area, comprising an area of approximately 41,135 hectares (411 sq/km). The Company's undivided interest in the property is subject to a 2% net smelter royalty ("NSR"), which may be purchased at any time for $1.2 million.

The Company and Amarc Resources Ltd. (an affiliate of Hunter Dickenson Inc.) entered into an Option and Joint Venture Agreement (the "Agreement") on August 12, 2009. Under that Agreement, Amarc initially contributed another 49 contiguous claims in the property area covered by the Agreement, so the Newton property area subject to the Agreement would initially consist of 58 claims comprising an area of approximately 22,923 hectares (229 sq/km). Pursuant to the Agreement, Amarc can earn an 80% interest in the entire property covered by the Agreement by paying $60,000 to the underlying optionor of the Newton Hill property (completed) and expending $4,940,000 in exploration expenditures over seven years and by making advance royalty payments on behalf of the Company of $25,000 annually commencing in 2011. The Company also issued 100,000 common shares to Amarc as consideration for Amarc issuing 100,000 Amarc shares to the underlying optionor of the initial Newton Hill property claim. While the terms of the Option and Joint Venture Agreement, including the schedule thereto, clearly provide that the mineral claims comprising the property consist of the parties' property claims covering an area of approximately 22,923 hectares (229 sq/km), the Company has recently been informed by Amarc that Amarc believes the land package subject to the option consists of a smaller area comprised of the original Newton 1 property claims and the surrounding claims in the 2 km area held by both parties. The Company disputes this position and has informed Amarc that the Company will not amend the Agreement as requested by Amarc.

Amarc provided the Company with a Project Expenditure Report pertaining to both the technical work completed and expenditures made to August 31, 2010. Total unaudited expenditures were $1,882,444. Amarc completed approximately 4,000 meters of drilling in a 14 hole diamond drill program on the property to test both the continuity of gold mineralization and to start testing the bulk-tonnage style gold target. Those drill results returned broad continuous intervals of bulk-tonnage style gold, silver, copper and zinc and the gold system remains open in all directions. Highlighted drill results were 189 meters grading 1.56 g/t gold, including 99 meters grading 2.76 g/t gold in hole 9004 and 138 meters grading 0.74 g/t gold, including 63 meters grading 1.17 g/t gold in hole 9014.

Included in their 2010 work program on the Newton property, Amarc flew a ZTEM (Z-Axix Tipper Electomagnetic system) survey and high-sensitivity magnetometer airborne geophysical over the property. In May, Amarc mobilized crews for a ground work at Newton and in July announced initial results that an Induced Polarization (IP) ground geophysical survey had defined a substantial target that extends some 400 meters north-south by 1,500 meters west-east and is open in all directions. This new IP anomaly was approximately 450 meters south of previous discovery drilling conducted by Amarc. Limited outcrop in the target area suggest the presence of favorable host rocks as encountered in the 2009 drill program.

Subsequently, on February 10, 2011, Amarc announced it had completed a Phase II, 28 hole diamond drill program (approximately 10,000 meters) on the Newton property. The Company reported that drilling has continued to expand the Newton deposit in all directions and that drilling to date has shown that gold mineralization has been intersected over significant widths in the central 50% of the approximate eight square kilometer sulphine mineralized system that has been outlined by the surface geophysical surveys. Once all the results from the 2010 program are known, the Company will assess its strategy going forward.

Chuchi Property – British Columbia

The Company has a 100% interest in 15 mineral claim tenures covering approximately 5,365 hectares located in the Omineca Mining Division in central B.C., approximately 90 km north of Fort St. James. The topography of the area is moderate to moderately rugged and elevations range from 1,200 meters to 1,644 meters. Road-access, railroads and high capacity electrical transmission lines are within 150 road km, at the resource-based communities of Fort St. James and Mackenzie.

The property is located 32km northwest of the Mt. Milligan copper-gold deposit now owned by Terrane Metals Corp. and is a low-grade porphyry copper-gold deposit.

Exploration is developed to different levels on various parts of the Chuchi property. The presence of a substantial porphyry copper-gold deposit has been established by several drill holes; however, the full extent of the mineralized zone is not known and remains unexplored.

Exploration activity is required to bring the technical knowledge of the entire property up to a common level and to simultaneously advance the delineation of the identified porphyry copper-gold deposit. Potential sites of the intended drilling platforms have been identified and marked in the field.

Future Outlook

With the completion on April 27, 2010 of a 5,000,000 unit private placement for gross proceeds of $650,000, the Company raised sufficient funds to repay most of its creditors and positioned the Company for renewed business opportunities.

Management believes that the overall commodity price outlook has improved. A relatively strong Canadian dollar, supply concerns and growing interest in commodities contribute to management's optimism for the future. The Company revisited its strategic plan with respect to mineral properties and has re-focused its efforts to the resource industry. Recent changes to management and the board is expected to assist the Company moving forward.

Amarc is accelerating their expenditures program such that it is conceivable that they will have expended the $5 million required on the Newton property to earn them an 80% interest during 2011.

Further, the Company will need to raise sufficient funds for the mineral exploration activities on the Chuchi property and to cover the Company's 20% portion of the future joint venture expenditures at the Newton Property if the option is exercised by Amarc.

Results from operations - Selected Information

The Company's audited Financial Statements for the year ended December 31, 2010 have been prepared in accordance with Canadian generally accepted accounting principles and practices. The Company's reporting currency is in Canadian dollars, except where stated otherwise. The following selected financial information is taken from the Financial Statements and should be read in conjunction with those statements.

	For the year ended		
	December 31, 2010	**December 31, 2009**	**December 31, 2008**
Financial Results			
Operating expenses	**$ (414,531)**	$ (283,503)	$ (1,367,766)
Net loss from continuing operations	**(544,746)**	(264,126)	(2,905,713)
Net (loss) income	**(544,746)**	418,225	(7,445,587)
Basic net loss per common share	**(0.04)**	0.04	(1.07)

As at:	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**
Balance Sheet Data			
Cash and cash equivalents	**$ 2,935**	$ 27,462	$ -
Mineral properties	**45,536**	25,000	1
Total assets	**55,664**	59,487	16,187
Shareholders' equity	**(79,595)**	(274,144)	(1,032,162)

Year Ended December 31, 2010 compared with Year Ended December 31, 2009

The Company incurred a net loss of $544,746 during the year ended December 31, 2010, a difference of $962,971 from the gain of $418,225 for the year ended December 31, 2009. This change was primarily the result of the gain on the disposition of a subsidiary, as well as income earned on the discontinued operation, during the year ended December 31, 2009; partially offset by the proposed transaction costs. In addition the loss incurred during the year ended December 31, 2010 included costs related to the proposed business venture with BGL, LLC and higher stock based compensation, consulting and management costs, salaries and benefits and lower recovery on settlement of accounts payable. These higher costs and lower income were partially offset by lower audit and accounting fees, rental and other office costs and recovery of a reclamation deposit.

Gain on disposition of subsidiary and income on discontinued operations: During the year ended December 31, 2010 gain on disposition of subsidiary and income on discontinued operations were $nil (December 31, 2009 - $624,432 and $57,919 respectively). During the year ended December 31, 2009 the Company disposed of its discontinued operations in a Peruvian subsidiary and recognized a gain on these discontinued operations prior to the disposition. There was no disposition of assets or discontinued operations during the year ended December 31, 2010.

Proposed transaction costs: During the year ended December 31, 2010 consulting costs related to the proposed business venture with BGL, LLC was $169,409 (December 31, 2009 - $nil). The cost was comprised of $89,413 paid to BGL, $20,273 paid to the sponsoring broker and $59,723 to other consultants for feasibility work. There was no proposed business venture explored during the year ended December 31, 2009.

Stock based compensation: During the year ended December 31, 2010 stock based compensation expense was $139,850 (December 31, 2009 - $nil). During the year ended December 31, 2010 1,050,000 stock options were granted. All stock options were vested and no new options were issued during the year ended December 31, 2009, and so no stock based compensation was incurred during this period.

Consulting and management: During the year ended December 31, 2010 management and consulting expense was $84,981 (December 31, 2009 - $27,000). This $57,981 increase was due to different terms of the CEO and CFO contracts. The CEO and CFO management fees were $8,000 per month during the year ended December 31, 2010, whereas $1,000 was payable per month during the prior year. These increased costs were partially offset by the settlement payment of $18,000 made to a consultant during the year ended December 31, 2009.

Salaries and benefits: Salaries and benefits were $33,932 for the year ended December 31, 2010 (December 31, 2009 - $3,153). The expense was $30,780 higher due to a compensation settlement with the past CEO during the year ended December 31, 2010. The CEO drew a salary of $3,153 during the year ended December 31, 2009.

Accounting and audit: Accounting and audit fees were $72,201 for the year ended December 31, 2010 (December 31, 2009 - $120,394). The expense was $48,193 lower primarily because audit fees decreased by $29,558 for the year ended December 31, 2010. In addition, audit fees for the Peruvian subsidiary transactions were incurred during the year ended December 31, 2009, which were not required during the current year.

Rent and other office related expenditures: Office related expenses including rent, telephone and office and sundry were lower because the office was closed and operated in a virtual environment during the year ended December 31, 2010.

Recovery of reclamation deposit: Recovery of reclamation deposit, on a previously written down property, was $20,000 for the year ended December 31, 2010 (December 31, 2009 - $nil). The recovery was higher because no bonds, previously impaired, were reimbursed during the year ended December 31, 2009.

Summary of Quarterly Results

Financial Results for the three months ended:

	Net loss from continuing operations	Basic loss per share from continuing operations	Net (loss) income	Basic and diluted (loss) income per common share
December 31, 2010	(93,975)	(0.01)	(93,975)	(0.01)
September 30, 2010	(176,423)	(0.01)	(176,423)	(0.01)
June 30, 2010	(62,596)	0.00	(62,596)	0.00
March 31, 2010	(211,752)	(0.02)	(211,752)	(0.02)
December 31, 2009	(77,498)	(0.01)	(77,498)	(0.01)
September 30, 2009	(24,888)	0.00	(24,888)	0.00
June 30, 2009	(126,415)	(0.01)	564,726	0.08
March 31, 2009	(35,325)	0.00	(44,115)	0.00

Balance Sheet Data as at:

	Cash and cash equivalents	Mineral properties	Total assets	Shareholders' equity
December 31, 2010	$ 2,935	$ 45,536	$ 55,664	$ (79,595)
September 30, 2010	18,466	45,536	86,905	8,012
June 30, 2010	190,476	45,536	244,240	184,435
March 31, 2010	7,382	45,536	57,226	(352,414)
December 31, 2009	27,462	25,000	59,487	(274,144)
September 30, 2009	228	5,001	21,233	(300,432)
June 30, 2009	22,257	-	32,692	(280,301)
March 31, 2009	-	1	12,261	(1,041,638)

The Company has no revenues to date.

Until late in Q3 2008 the Company was an active operational exploration company undertaking significant exploration activity in Peru through its Peruvian subsidiary and with two BC projects for which activity was minimal. In late Q3 2008 the Company began rationalization of all its operations due to lack of funding as a result of the economic crash and by Q4 2008 all operations effectively ceased. In Q2 2009 the Company sold its Peruvian subsidiary for a gain on sale of discontinued operations of $624,432. Net loss from continuing operations spiked in that quarter principally as a result of $74,942 of accounting and audit expense incurred to bring the Company back to reporting compliance including completion of its December 31, 2008 audited financial statements. Stock based compensation expense also significantly impacts net loss as follows: Q4 2009 $56,939 and Q1 2010 $133,482. Stock based compensation of $6,368 was also incurred during Q4 2010 (2009 - $nil).

Related Party Transactions

During the year ended December 31, 2010, the Company paid or accrued fees of $48,000 (2009: $nil) to Michael Withrow, a director and officer of the Company, for consulting services in his capacity as President and Chief Executive Officer of the Company.

During the year ended December 31, 2010, the Company paid or accrued fees of $36,000 (2009: $nil) to David Clark, a director and officer of the Company for consulting services in his capacity as Chief Financial Officer ("CFO") of the Company.

During the year ended December 31, 2010 the Company entered into a settlement agreement with a Company controlled by David McElhanney, a director and former officer of the Company, whereby the amount due to the director was reduced by $11,000 plus GST. During the year ended December 31, 2009 the Company accrued fees of $6,000 to a company controlled by David McElhanney, for services in his capacity as CFO.

As at December 31, 2010, accounts payable included $nil (December 31, 2009 - $128,334) due to directors and companies controlled by directors. The board approved the sale of the rights to certain BioExtracts assets to Mike Withrow, a director of the Company in consideration for payment of the sum of $9,700 plus applicable taxes. Accounts Receivable includes $1,797 due from Mike Withrow, which was subsequently paid.

During the year ended December 31, 2010 the Company entered into a settlement agreement with Gary Anderson, a former director and the former President of the Company, whereby the Company paid related party debt of $74,617, together with salary payment of $50,000 (of which $20,000 had previously been paid by the Company) less payroll taxes as full and final settlement of all salary obligations.

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

Subsequent Events

- On January 4, 2011, the Company added two new directors and granted to certain directors and officers incentive stock options to purchase up to an aggregate of 800,000 common shares exercisable on or before January 4th, 2016 at a price of $0.175 per share.
- Effective January 13, 2011 J. Paul Sorbara resigned as a director of the company. He signed a consulting agreement with the Company and will be a member of the advisory committee. Michael J. Johnson was appointed to the board of directors in place of Mr. Sorbara.
- On January 18, 2011, the Company raised gross proceeds of $650,000 through the issuance of 5,000,000 units at a price of $0.13 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable to purchase one additional common share over a two-year period at a price of $0.20 the first year and $0.30 in the second year, expiring January 28, 2013. The Company paid $19,240 and issued a total of 148,000 warrants as finder's fees. The terms of these warrants are the same as those issued under the private placement.
- On January 26, 2011 the company paid $20,000 advance royalties in respect of the Chuchi property.
- On January 28, 2011 the Company granted to certain directors, officers and consultants incentive stock options to purchase up to an aggregate of 540,000 common shares exercisable on or before January 28, 2016 at a price of $0.30 per share.
- On February 9, 2011 the company announced it was trading under the new name and symbol Newton Gold Corporation (TSX.V: NWG).
- On February 10, 2011 the Company's option partner on the Newton project announced results from Phase II, 28 hole (approx. 10,000 meter) diamond drill program.
- On February 11, 2011 the Company announced that the litigation with Grenville Gold Corporation relating to the Bella Rubia concessions in Peru that was launched on March 4, 2008, has ended. The action will be dismissed without costs to either party.
- Warrants to acquire 175,000 common shares were exercised at an average exercise price of $0.25 for proceeds of $43,750.

Liquidity and Capital Resources

Financial Condition

As at December 31, 2010, the Company had cash of $2,935. The Company continues to utilize its cash resources to fund project exploration and administrative requirements. As the Company has no significant income, cash balances, unless replenished by capital fundraising, will continue to decline as the Company utilizes its funds to conduct its operations.

The Company's operations to date have been primarily financed by sales of its equity securities. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The Company has primarily incurred losses from inception, has recorded a net loss from continuing operations of $544,746 for the year ended December 31, 2010 (2009 - $264,126) and has a working capital deficiency of $125,131 as at December 31, 2010 (December 31, 2009 - $299,144).

The current cash position on hand, and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

Outstanding Share Data

The Authorized share capital consists of an unlimited number of common shares without par value.

Outstanding and Fully Diluted Share Data	**Number of Common Shares**
Issued and outstanding as at December 31, 2010	15,444,268
Shares issued from exercise of options and warrants	175,000
Shares issued on private placement	5,000,000
Incentive stock options	1,900,000
Warrants	11,223,000
Fully diluted as at April 18, 2011	33,742,268

Effective January 1, 2010, the issued and outstanding share capital of the Company was consolidated on a four old, one new basis. All references to share capital, options and warrants are on a post-consolidated basis.

Contingent Liability

The Company has been made aware of a potential claim pursuant to a contract with a European investor relations firm. The contract was for a six month term effective from April 1, 2008. The Company paid Euro 24,500 (3 months prepaid) upon signing of the contract. An additional sum of Euro 24,500 (C$31, 865) has been invoiced by the vendor. The Company believes the services were terminated and were not completed, and has made no accrual for this potential claim.

Financial Instruments and Other Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to receivables. As at December 31, 2010, the Company has minimal amounts receivable and is not exposed to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to do its best to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2010, the Company had a cash balance of $2,935 to settle current liabilities of $135,259. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors mineral commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

Risks and Uncertainties

Investing in the Company involves risks that should be carefully considered. In addition to the risks involved should the Company be required to value its assets and liabilities other than on a going-concern basis as discussed above and below, in conducting its business, the Company is subject to a number of other risks and uncertainties, including those discussed below, that could have a material adverse effect on, among other things, the Company's business prospects or financial condition and could result in a delay or indefinite postponement in the development of the Company's properties and projects. See also "Forward-Looking Statements".

The Company's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company has not commenced commercial operations and has no proven history of performance, earnings or success. There is no guarantee that the Company will ever be able to achieve profitable results or successfully execute its business plan, and the Company's Common Shares must be considered speculative, primarily due to the nature of the Company's business and early stage of development.

The Company's property interests are located in British Columbia, Canada. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of the Company and may adversely affect its business. In addition, shortages of skilled labor and deficiencies in infrastructure may negatively influence costs of exploration and development.

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to explore and develop its property interests or to fulfill its obligations under applicable agreements. 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. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of new projects with the possible loss of such properties. The Company will require new capital to continue to operate its business and to continue with exploration on its properties, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company or its partners will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to obtain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration and development work, which may result in it losing its interest in the subject property.

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. Mineral prices, particularly gold and silver prices, have fluctuated widely in recent years. The marketability and price of silver and gold which may be produced or acquired by the Company will be affected by numerous factors beyond the control of the Company. These other factors include delivery uncertainties related to the proximity of its reserves to processing facilities and extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals and many other aspects of the mining business. Declines in mineral prices may have a negative effect on the Company.

The mining industry is intensely competitive and the Company must compete in all aspects of its operations with a substantial number of other corporations which have greater technical or financial resources. The Company may be unable to acquire additional attractive mining properties on terms it considers to be acceptable.

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. Failure to comply with such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Certain directors and officers of the Company are also directors, officers and shareholders of other natural resource or public companies, as a result of which they may find themselves in a position where their duty to another company conflicts with their duty to the Company. There is no assurance that any such conflicts will be resolved in favor of the Company. If any of such conflicts are not resolved in favor of the Company, the Company may be adversely affected.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and development of its mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities.

Adoption Of New Accounting Policies

The Company did not adopt new accounting policies during the year ended December 31, 2010.

International Financial Reporting Standards

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the mandatory change-over date to International Financial Reporting Standards ("IFRS") for Canadian profit-oriented publicly accountable entities ("PAE's") such as the Company.

The AcSB requires that IFRS compliant financial statements be prepared for annual and interim financial statements commencing on or after January 1, 2011. For PAE's with a December 31 year-end, the first unaudited interim financial statements under IFRS will be the quarter ending March 31, 2011, with comparative financial information for the quarter ended March 31, 2010. The first audited annual financial statements will be for the year ending December 31, 2011, with comparative financial information for the year ended December 31, 2010. This also means that all the opening balance sheet adjustments relating to the adoption of IFRS must be reflected in the January 1, 2010 opening balance sheet which will be issued as part of the comparative financial information in the March 31, 2011 unaudited interim financial statements.

The Company reviewed its existing accounting system along with its internal and disclosure control process and concluded that they would not need significant modification as a result of the Company's conversion to IFRS in 2011. The Company also determined that it would rely on certain exemptions allowed under IFRS 1 "*First-time Adoption of International Financial Reporting Standards*" as of the transition date on January 1, 2010. Under IFRS 1 the IFRS standards are applied retrospectively at the transitional balance sheet date with all adjustments to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company intends to apply the following exemption to its opening balance sheet dated January 1, 2010:

Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company will apply IFRS 2 to awards that vested subsequent to January 1, 2010 resulting in no adjustments to the December 31, 2009 financial statements on the transition date.

Given that the Company will apply the IFRS 1 exemption noted above, the Company has thus far identified one adjustment to the December 31, 2009's financial statements on the transition date, as follows:

"Contributed surplus" versus various reserves in equity

IFRS requires "contributed surplus" to be broken down into individual reserve categories. The Company examined its "contributed surplus" account at January 1, 2010 and concluded that approximately $632,417 relates to "Equity settled employee benefit reserve" and approximately $143,437 relates to "Reserves for warrants". As a result, on transition date, the Company believes that a reclassification would be necessary in the equity section between "Contributed Surplus" and the various reserve accounts totalling approximately $775,854.

During the year ended December 31, 2010, the Company has identified these adjustments:

a) "Contributed surplus" versus various reserves in equity

As at December 31, 2010, a reclassification would be necessary in the equity section between "Contributed surplus" and the various reserve accounts totalling approximately $915,704 by breaking down the "Contributed surplus" into approximately $772,267 relating to "Equity settled employee benefit reserve" and approximately $143,437 for "Reserves for warrants".

b) Share-based payment transactions

IFRS 2, similar to Canadian Generally Accepted Accounting Principles ("Canadian GAAP"), requires the Company to measure share-based compensation related to share purchase options granted to employees at the fair value of the options on the date of grant and to recognize such expense over the vesting period of the options. However, under IFRS 2, the recognition of such expense must be done with a "graded vesting" methodology as opposed to the straight-line vesting method allowed under Canadian GAAP.

The adjustments were calculated only for unvested options issued and outstanding as of and after January 1, 2010, the Transition Date. During the year ended December 31, 2010, the share-based compensation related to the share purchase options granted during the period were approximately the same as under Canadian GAAP.

The Company also intends to take advantage of the provisions of IFRS 6 which will allow it to maintain its current policy of capitalizing exploration expenditures while in the evaluation and exploration stage. Accordingly, there will be no significant disclosure differences from the current Canadian standards.

Conflicts Of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of The Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the year ended December 31, 2010.

Proposed Transactions

The Company does not currently have any proposed transaction approved by the Board of Directors. All current transactions are fully disclosed in the financial statements for the year ended December 31, 2010.

Management's Responsibility For Financial Statements

The information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at www.sedar.com.

Vancouver, BC   April 18, 2011

Company Contacts

Head Office:	Suite 400, 409 Granville Street Vancouver, BC V6C 1T2
Directors:	Mark McLeary Ian Foreman Michael Johnson Mike Withrow David McElhanney
Officers:	Mark McLeary, President & CEO Ann Fehr, CFO & Corporate Secretary
Legal Counsel:	Miller Thomson LLP Suite 1000, 840 Howe Street Vancouver, BC V6Z 2M1
Auditor:	Davidson & Company LLP Suite 1200, 609 Granville Street Vancouver, BC V7Y 1G5
Transfer Agent:	Computershare Suite 200, 510 Burrard Street Vancouver, BC V6C 3A8