FOX RESOURCES LTD.

(*An Exploration Stage Company*)

MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2011

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The following management's discussion and analysis ("MD&A") is prepared as at May 27, 2011 and should be read in conjunction with the unaudited condensed interim financial statements for the three months ended March 31, 2011 and the related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS") and the audited financial statements for the year ended December 31, 2010 and related notes, which are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Annual references are to the Company's fiscal years, which end on December 31. All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding the Company is available on SEDAR at www.sedar.com.

OVERVIEW OF THE BUSINESS

Fox Resources Ltd. (the "Company") was incorporated under the *Canada Business Corporations Act* on February 3, 2006 and, effective July 6, 2009, changed its continuance out of the Federal Jurisdiction into the British Columbia jurisdiction under the *Business Corporations Act* (British Columbia). The Company was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "TSX-V" or "Exchange") Listings Policy 2.4. The Company completed an initial public offering ("IPO") and commenced trading on the TSX-V on May 5, 2006.

On June 2, 2008, the Company announced that for its qualifying transaction ("QT"), it entered into an option agreement on the Otter Gold Property in Princeton, British Columbia dated May 27, 2008 and on August 18, 2008, the Company received final approval from the Exchange for the QT, the related private placements totalling $390,000 and the name change, and its common shares resumed trading under its current name and new trading symbol "FAX" commencing on August 19, 2008.

On August 18, 2009, the Company paid $5,000 to the optionor to amend its option agreement and postpone the first anniversary commitments of paying $50,000 in cash, issuing 75,000 common shares and incurring $200,000 exploration expenditures until December 31, 2009. Upon receipt and analysis of the assay results from the 2009 follow-up program, the management decided to drop the Otter Gold Property and wrote off the entire amount as of December 31, 2009. The Company is in the process of identifying mineral properties of interest for acquisition.

SELECTED ANNUAL FINANCIAL INFORMATION

	Year ended December 31, 2010 (Restated)	**Year ended December 31, 2009**	**Year ended December 31, 2008**
	Under IFRS	Under GAAP	Under GAAP
	$	$	$
Total revenues	2,078	2,102	6,903
General and administrative expenses	85,787	88,211	124,137
Loss for the period	(84,024)	(264,923)	(111,126)
Loss per share	(0.03)	(0.08)	(0.05)
Total assets	227,512	319,335	676,392
Total long-term financial liabilities	-	-	-
Cash dividends declared – per share	N/A	N/A	N/A

SELECTED QUARTERLY FINANCIAL INFORMATION

The selected financial information provided below is derived from the unaudited quarterly financial statements for each of the last eight quarters:

	Mar 31, 2011 Quarter	Dec 31, 2010 Quarter (Restated)	Sep 30, 2010 Quarter (Restated)	Jun 30, 2010 Quarter (Restated)	Mar 31, 2010 Quarter (Restated)	Dec 31, 2009 Quarter	Sep 30, 2009 Quarter	Jun 30, 2009 Quarter
	Under IFRS					Under GAAP		
Revenue	$ 685	$ 684	$ 649	$ 364	$ 380	$ 413	$ 480	$ 429
Net (loss)	(17,836)	(18,894)	(12,360)	(17,895)	(34,875)	(258,009)	(12,237)	(21,657)
(Loss) per share	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.08)	$ (0.00)	$ (0.01)

It is important to note that historical patterns of expenditures cannot be taken as an indication of future expenditures. The amount and timing of expenditures, and therefore liquidity and capital resources, vary substantially from period to period depending on the business undertaken at any one time.

RESULTS OF OPERATIONS

For the three months ended March 31, 2011 compared to the three months ended March 31, 2010

During the three months ended March 31, 2011, the Company recorded a net loss of $17,836 ($0.01 loss per share) compared to a net loss of $34,875 ($0.01 loss per share) for the three months ended March 31, 2010. The difference was mainly due to the accounting and legal of $8,130 (2010 - $16,500) and property investigation of $Nil (2010 - $7,305).

The only revenue recorded during the three months ended March 31, 2011 was interest income of $685 (2010 - $380).

CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital as at March 31, 2011 was $212,750 (December 31, 2010 - $215,586). Cash totalled $223,299 as at March 31, 2011, a decrease of $2,889 from $226,188 as at December 31, 2010. The Company received $15,000 from the exercise of 50,000 options at $0.30 and incurred net operating expenses of $17,889 during the period ended March 31, 2011.

As of the date of this MD&A, the Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company completed a financing in April 2011 (see "Outstanding Share Data") and has sufficient working capital at this time to meet its ongoing financial obligations.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company is focused to use the current treasury to acquire new properties and develop an exploration program for such properties. If market conditions prevail or improve, the Company will make adjustments to budgets accordingly.

OUTSTANDING SHARE DATA

Shares, options and warrants

	March 31, 2011	December 31, 2010
Common shares issued and outstanding	3,206,667	3,156,667
Options outstanding	173,333	223,333

On April 26, 2011, the Company announced that it closed the non-brokered private placement of 3,120,000 units (the "Unit") at $0.30 per Unit for gross proceeds of $936,000. Each Unit comprised of one common share and one-half of one non-transferable warrant. Each whole warrant entitled the holder to purchase one additional common share for a period of 18 months at a price of $0.45 per common share. In addition, Finder's Warrants, entitling the holder to purchase up to 198,000 Units for a period of 18 months from issuance at $0.30 per Unit and cash finder's fees of $41,580 were paid. All securities issued are subject to a four-month hold period expiring on August 26, 2011. Insider participation amounts to 220,000 Units.

On January 4, 2011, 50,000 stock options were exercised at $0.30.

The Company has established a stock option plan that is administered by the Board of Directors of the Company with stock options granted to directors, management, employees, management company employees, agents and consultants. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the total number of issued and outstanding shares.

Stock option transaction and the number of stock options are summarized as follows:

Expiry date	Exercise price	December 31, 2010	Granted	Exercised	Expired/ cancelled	March 31, 2011
April 28, 2011	$ 0.30	50,000	-	(50,000)	-	-
May 21, 2013	$ 0.30	123,333	-	-	-	123,333
August 18, 2013	$ 0.30	50,000	-	-	-	50,000
Options outstanding		223,333	-	(50,000)	-	173,333
Option exercisable		223,333	-	(50,000)	-	173,333
Weighted average exercise price		$0.30	-	$0.30	-	$0.30

If the remaining options, warrants, Finder's Warrants, including the warrants associated with the Finder's Warrants, were exercised, the Company's available cash would increase by $857,950.

As of the date of this MD&A, there were 6,326,667 common shares issued and outstanding and 8,357,000 shares outstanding on a diluted basis.

RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the three months ended March 31, 2011

	Short-term employee benefits	Post - employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Mark T. Brown, Chief Executive Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Winnie Wong, Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

For the three months ended March 31, 2010

	Short-term employee benefits	Post - employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Mark T. Brown, Chief Executive Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Winnie Wong, Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

Related party assets / liabilities

	Services	Three months ended March 31		As at March 31, 2011	As at December 31, 2010
		2011	2010		
Amounts due to:					
Pacific Opportunity Capital Ltd. [(a)]	Rent and accounting services	$9,000	$9,000	$3,360	$3,360
TOTAL:				$3,360	$3,360
Amounts due from:					
Nil					

(a) Pacific Opportunity Capital Ltd., a company controlled by the Chief Executive Officer of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RISK FACTORS

The Company is engaged in the acquisition and exploration of mineral properties. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mining industry and metal price fluctuations.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral properties.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company’s securities.

There is no assurance at this time that the mineral properties the Company is investigating will be economically viable for development and production.

Prices for gold and other commodities

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company’s exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation.

SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

The Company does not have any critical judgments as of March 31, 2011.

Estimates

- the recoverability of receivables which are included in the condensed interim statement of financial position;
- the inputs used in accounting for share purchase option expense in the condensed interim statement of comprehensive loss; and
- the provision for income taxes which is included in the statements of comprehensive loss and composition of deferred income tax assets and liabilities included in the condensed interim statement of financial position at March 31, 2011.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair values of the Company's cash and cash equivalents and accounts payable are determined based on Level 1 inputs, and approximate their carrying values due to the short-term maturity of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and interest risk.

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial asset exposed to credit risk is cash and cash equivalents, which is minimized to the extent that it is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

As at March 31, 2011, the Company had a cash and cash equivalent balance of $223,299 (December 31, 2010 - $226,188) to settle down current liabilities of $12,750 (December 31, 2010 - $11,926).

Accounts payable and accrued liabilities are due within the current operating period.

(c) Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash and cash equivalents earn interest from its operating bank accounts, bearing interest of 1.25% per annum. Due to the nature of this financial instrument, fluctuations in market rates do not have a significant impact on net loss as of March 31, 2011. Future cash flows from interest income on cash will be affected by interest rate fluctuations. A 1% change in the interest rate, with other variables unchanged, would affect net loss by an annualized amount of interest equal to approximately $2,233.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 223,299	$ -	$ -	$ 223,299
	$ 223,299	$ -	$ -	$ 223,299

CHANGES IN ACCOUNTING POLICIES INCLUDING INITAL ADOPTION

Conversion to International Financial Reporting Standards

The Canadian Accounting Standards Board ("AcSB") confirmed in February 2008 that IFRS will replace Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises for financial periods beginning on or after January 1, 2011.

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These are the Company's first IFRS condensed interim financial statements for part of the period covered by the first IFRS annual financial statements to be presented in accordance with IFRS for the year ending December 31, 2011. Previously, the Company prepared its annual and interim financial statements in accordance with GAAP.

Transition to International Financial Reporting Standards

As stated in Note 2 of the condensed interim financial statements, these are the Company's first condensed interim financial statements are for the period covered by its first annual financial statements prepared in accordance with IFRS.

The Company adopted IFRS in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1). The first date at which IFRS was applied was January 1, 2010 ("Transition Date"). IFRS 1 provides for certain mandatory exceptions and optional exemptions for first-time adopters of IFRS.

IFRS 1 requires that the same policies are applied for all periods presented in the first IFRS financial statements and that those policies comply with IFRSs in effect as at the end of the first IFRS annual reporting period. Accordingly, the opening IFRS statement of financial position, 2010 comparatives and current period financial statements have been prepared using the same policies. The previously presented 2010 Canadian GAAP financial information has been reconciled to the IFRS information as part of this transition note in accordance with the requirements of IFRS 1. Further, the policies applied have been done so on a full retrospective basis unless an alternative treatment is permitted or required by an IFRS 1 election or exception. These are discussed below.

Elections upon first-time adoption of IFRS

The IFRS 1 exemptions applied by the Company in the conversion from Canadian GAAP to IFRS are as follows:

(a) Business combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 (2008) *Business Combinations* retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has elected to apply IFRS 3 (2008) to only those business combinations that occurred on or after the Transition Date and such business combinations have not been restated. As a result of this election, no adjustments were required to the Company's statement of financial position as at the Transition Date.

(b) 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 has elected not to apply IFRS 2 to awards that vested prior to the Transition Date.

(c) IAS 27 – Consolidated and Separate Financial Statements

In accordance with IFRS 1, if a company elects to apply IFRS 3 *Business Combinations* retrospectively, IAS 27 *Consolidated and Separate Financial Statements* must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

Mandatory exceptions under IFRS

The IFRS 1 mandatory exception applied by the Company in the conversion from Canadian GAAP to IFRS is as follows:

(d) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP unless those estimates were in error. The Company's IFRS estimates as at the Transition Date are consistent with its Canadian GAAP estimates as at that date.

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity and comprehensive income for prior periods presented under Canadian GAAP to IFRSs as of the same date. In addition, an explanation is required for any material adjustments to cash flows to the extent that they exist. The analysis which follows represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted:

(e) Reclassification within Equity section

Under Canadian GAAP, a balance within contributed surplus existed to record the issuance of equity settled employee benefits. Upon adoption of IFRS, the balance in this account has been reclassified to "Reserves – Equity settled employee benefits".

(f) Flow-through shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, Flow-Through Shares. At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a future income tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP the Company recorded any deferred tax recovery eligible to be recognized to offset the deferred tax charge to equity as a tax recovery in the statement of operations. During fiscal 2009, the Company renounced qualifying expenditures and as a result recorded a charge to equity and corresponding income tax recovery in income in the amount of $45,000.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is credited to other liabilities and recognized in income at the time the qualifying expenditures are made.

The Company's 2008 flow-through shares were issued at a $0.10 premium per flow-through share. Under Canadian GAAP, this $0.10 premium was recognized as the future income tax recovery in fiscal 2009. Under IFRS, this $0.10 premium would have been recognized as income in fiscal 2009. Consequently, the reclassification between future income tax recovery and income during fiscal 2009 would have no impact to the Statement of Financial Position or to the balance of the Deficit or related reserves as at the Transition Date and December 31, 2010.

FUTURE ACCOUNTING PRONOUNCEMENT

Certain new accounting standards and interpretations have been published that are not mandatory for the March 31, 2011 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

- Amendments to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* - effective for accounting periods commencing on or after July 1, 2010;
- IAS 24, *Related Party Disclosure* - effective for accounting periods commencing on or after January 1, 2011;
- IFRS 9, *Financial Instruments* - effective for accounting periods commencing on or after January 1, 2013;
- Amendments to IAS 32, *Financial Instruments: Presentation – Classification of Right Issues* - effective for accounting periods commencing on or after February 1, 2010;
- Amendments to IFRIC 14 – *Prepayments of a Minimum Funding Requirement* - effective for accounting periods commencing on or after January 1, 2011;
- IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments* - effective for accounting periods commencing on or after July 1, 2010;
- Amendments to IFRS 7 *Financial Instruments: Disclosure from May 2010 Annual Improvements to IFRSs* – effective for annual periods beginning on or after January 1, 2011;
- Amendments to IFRS 7 *Financial Instruments: Disclosure for amendments enhancing disclosures about transfers of financial assets* – effective for annual periods beginning on or after July 1, 2011; and
- Amendments to IAS 12 *Income Taxes: Limited scope amendment (recovery of underlying assets)* – effective for annual periods beginning on or after January 1, 2012.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting (“ICFR”)

No changes occurred in the current period of the Company’s ICFR that have materially affected, or are reasonable likely to materially affect, the Company’s ICFR.

OUTLOOK

The Company is reviewing various potential exploration properties. It has sufficient funds to achieve acquiring these exploration properties, develop exploration programs and meet future working capital requirement. The Company intends to seek out additional financings in the future.

FORWARD-LOOKING STATEMENTS

Certain information regarding the Company as set forth in the MD&A, including management’s assessment of the Company’s future plans and operations, contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuation, imprecision of reserve estimates, environmental risks, taxation policies, competition from other producers, the lack of qualified personnel or management, stock market volatility and the ability to access sufficient capital from external or internal sources. The actual results, performance or achievement could materially differ from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them does, what benefits the Company will derive there from.

Forward-looking statements included or incorporated by reference in this document include statements with respect to:

- The Company’s adequate working capital to fund its expected operating costs through 2011; and
- Expectations regarding the ability to raise capital and to search for potential projects.