LINEAR METALS CORPORATION
Management Discussion and Analysis
Quarterly Report – January 31, 2012

This Management Discussion and Analysis of Linear Metals Corporation (the "Company" or "Linear") provides analysis of the Company's financial results for the three-month period ended January 31, 2012. The following information should be read in conjunction with the unaudited financial statements and the notes to the unaudited financial statements for the three-months ended January 31, 2012, which are prepared in accordance with International Financial Reporting Standards. All amounts are expressed in Canadian dollars unless otherwise noted.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address anticipated operating costs, possible future resource property expenditures, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are considered forward-looking because we have used what we know and expect today to make a statement about the future. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements usually include words such as may, expect, plan, anticipate, budget, believe or other similar words. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Additional details of the specific risks associated with the operations of the Company and such forward-looking statements are set out below under "Risks and Uncertainties" and in the Company's January 27, 2012 Annual Information Form under "Risk Factors". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.1 Date of Report

This report is prepared as of April 16, 2012.

1.2 Nature of Business and Overall Performance

Linear is a junior exploration company listed on the Toronto Stock Exchange. Linear initiated a shift in its strategic focus in 2011 when the Company completed an agreement with East African Pure Gold Limited ("EAPG") and B&M Mining Company Limited ("B&M") to earn up to an initial 80% interest in an initial three mineral exploration licenses in Kenya. Linear has since expanded its Kenya property portfolio to cover an area of approximately 2,000 square kilometres (km^2), under license or application, located along the Migori greenstone belt of southwestern Kenya (the "Nyanza Project"). The Nyanza Project was the Company's primary focus during fiscal 2011 and continues to be the Company's main area of focus going forward.

As of the date of this report, the Company also owns or controls an interest in three other properties, including the KM61 and Seymour Lake properties in Canada and the La Morena property in Mexico, and has not yet determined whether these properties contain ore reserves that are economically recoverable. The KM61 molybdenum-copper-silver project is the most advanced project and an important long-term asset to the Company. KM61 is host to an indicated molybdenum resource of 66.6 million tonnes at 0.053% Mo, 0.09% Cu, and 2.6 g/t Ag (0.063% molybdenum equivalent) and an inferred resource of 38.9 million tonnes at 0.054% Mo, 0.09% Cu, and 2.7 g/t Ag (0.065% molybdenum equivalent) (43-101 compliant).

During the three-month period ended January 31, 2012, the Company incurred a net loss before income taxes of $4.7 million, an increase of approximately $4.5 million over the comparable period ended January 31, 2011. The increase in the loss was primarily a result of an impairment write-down of $4.4 million related to the Company's interest in the KM61 property. Other significant changes from the prior year included management salaries and services, which increased approximately $84,000 due to increased staffing levels compared to the prior year. Travel costs decreased approximately $22,000, as the Company was pursuing mineral resource opportunities in 2011, prior to its agreement on the Nyanza Project in Kenya. Net income after taxes was impacted by a deferred income tax recovery of $504,000 during the period; the magnitude of deferred income tax recovery was a direct result of the impairment write-down of the KM61 property. The Company continues to have no revenue-producing operations and is dependent on future equity financings and/or project financing alternatives to fund future operations and continue exploration programs.

In light of the Company's financial constraints, management maintains a number of cost management strategies to minimize the Company's day to day cash operating costs. The Company's priority is to advance exploration activities and/or acquire new mineral projects while maintaining legal title to its key mineral properties. The Company continues to seek opportunities to raise additional project or equity financing and to identify and evaluate other strategic opportunities. Despite these efforts, there is no guarantee that the Company will be able to raise capital in the future and continue as a going concern.

During fiscal 2011, the Company completed two private placement financings. On October 28, 2011, the Company completed a non-brokered private placement financing of 6,000,000 units at a price of $0.25 per unit, for aggregate gross proceeds of $1.5 million. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to one common share at a price of $0.35 until October 28, 2013. On February 24, 2011, the Company completed a $1.0 million non-brokered private placement of 3,333,333 common shares priced at $0.30 per share. Proceeds of both private placements are being used to fund the Nyanza Project, strategic property acquisitions and for working capital purposes.

During the year ended October 31, 2011, two directors of the Company provided debt financing of $300,000 in the form of demand loans, bearing interest at a rate of prime plus 2%. The loans were settled in full, including interest of $2,258, prior to October 31, 2011.

The Company's only source of recurring income is interest earned on the Company's cash balance; accordingly, the Company expects to continue to incur operating losses for the foreseeable future. The Company will continue to fund operating losses and exploration expenditures out of existing working capital and the proceeds from future equity offerings.

1.3 Selected Annual Information

Expressed in thousands of Canadian dollars, except per share amounts:

Fiscal Year	2011		2010 *		2009 *	
Net loss	$	618	$	674	$	8,336
Basic & diluted net loss per share	$	0.01	$	0.01	$	0.20
Total assets	$	12,827	$	10,260	$	10,699
Cash dividends per common share	N/A		N/A		N/A	

The financial data for the fiscal year 2011 has been prepared in accordance with International Financial Reporting Standards, and all figures are stated in Canadian dollars.

**The financial data for the fiscal years 2009 and 2010 was prepared in accordance with Canadian Generally Accepted Accounting Principles and have not been converted to International Financial Reporting Standards, as the Company's date of transition was November 1, 2010.*

The Company expects to record losses until such time as an economic resource is identified, developed and exploited on one or more of the Company's properties. The Company's net losses in the future will be significantly impacted by any impairment write-downs or abandonments of any resource properties. During the period, the Company recognized an impairment write-down of $4.4 million related to the Company's interest in its KM61 property. The Company also recorded a write-down of its resource properties in fiscal year ended 2010 of $15,514. The Company will continue to review its portfolio of resource properties and write-down the carrying costs of any properties considered to be impaired.

1.4 Results of Operations

The Company has no operating revenues and is dependent on equity financings and/or project financing alternatives to fund its operations.

During the period ended January 31, 2012, the Company incurred a net loss of $4.2 million. The Company's operating expenses during the period were $4.7 million, an increase of approximately $4.5 million compared to the prior year. The previously-mentioned non-cash impairment write-down of the Company's KM61 accounted for $4.4 million of the increase in operating expenses. Other significant operating expenses included $131,160 in management salaries and services, including director insurance premiums, accrued director fees, and a total of $7,500 pursuant to a Management Services Agreement with Brigus Gold Corp., which provides certain accounting and administrative services to the Company. The Company also incurred professional service fees of $31,936, representing an increase of $11,000, resulting primarily from the Company's increased operations during the period. General and administrative costs of $17,632 were consistent with the prior year and were comprised primarily of premises and communication expenses. The Company recorded non-cash stock-based compensation expense of $76,956, attributable to the estimated fair value of stock options earned during the year and non-cash amortization expense of $2,949, representing amortization of the Company's capital assets. The Company capitalized $16,622 of non-cash stock-based compensation expense during the current year to resource properties, attributable to the estimated fair value of stock options earned by the Company's exploration personnel and also capitalized $877 of amortization expense relating to capital assets used in exploration activities. During the year, the Company recognized a loss on the disposal of capital assets of $3,829 relating to the write-off of certain capital assets in Mexico. The Company also recognized a deferred income tax recovery of $504,000 during the period, which was significantly impacted by the impairment write-down.

The Company incurred a currency exchange loss of $5,667 relating to its foreign currency transactions. The Company expects to continue incurring foreign exchange gains and losses arising from fluctuations in the value of the United States, Kenyan and Mexican currencies relative to the Canadian dollar.

1.5 Summary of Quarterly Results

Expressed in thousands of Canadian dollars, except per share amounts:

	Fiscal 2012	Fiscal 2011				Fiscal 2010		
	Q1	Q4	Q3	Q2	Q1	Q4*	Q3*	Q2*
	Jan-12	Oct-11	Jul-11	Apr-11	Jan-11	Oct-10	Jul-10	Apr-10
Net loss	$ (4,205)	$ (171)	$ (172)	$ (127)	$ (148)	$ (162)	$ (143)	$ (175)
Basic & diluted net loss per share	$ 0.07	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Total assets	$ 8,400	$ 12,827	$ 11,057	$ 11,015	$ 10,418	$ 10,260	$ 10,263	$ 10,353

The financial data for the fiscal years 2011 and 2012 has been prepared in accordance with International Financial Reporting Standards, and all figures are stated in Canadian dollars.

**The financial data for the fiscal year 2010 was prepared in accordance with Canadian Generally Accepted Accounting Principles and have not been converted to International Financial Reporting Standards, as the Company's date of transition was November 1, 2010.*

1.6 Liquidity, Capital Resources and Going Concern

As of January 31, 2012, the Company had negative working capital of $0.5 million, compared to working capital of $0.3 million at October 31, 2011, a decrease of $0.8 million. During the period ended January 31, 2012, the Company used cash of $0.2 million to fund operating activities and cash of $0.8 million on its resource property expenditures, primarily on the Company's Nyanza property (see section 1.14). The Company collected previously outstanding subscriptions receivable of $0.1 million during the period.

On October 28, 2011, the Company completed a private placement financing of 6,000,000 units at a price of $0.25 per unit, for aggregate gross proceeds of $1.5 million. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.35 until October 28, 2013. The expiry of the warrants may be accelerated by the Company if the Company's shares trade above $0.50 for twenty consecutive trading days. Total costs associated with the private placement were $81,150, including cash paid for commissions of $37,187, legal and regulatory fees of $6,775 and 148,750 units issued as finder's fees valued at $37,188. Officers and directors of the Company subscribed for 350,000 of the units pursuant to the private placement. Unit subscriptions receivable of $102,988 related to this financing were received during the current quarter.

On February 24, 2011, the Company completed a non-brokered private placement of 3,333,333 common shares priced at $0.30 per share, for aggregate gross proceeds of $1.0 million. Share issuance costs to complete the financing were $11,660. Officers and directors of the Company subscribed for 1,666,666 common shares pursuant to the private placement.

Proceeds of the private placements are being used to fund the Nyanza Project, strategic property acquisitions and for working capital purposes. The funds are also being used to maintain the Company's properties in good standing.

The Company's objective is to maintain legal title to its key mineral properties and to advance exploration activities and/or acquire new mineral projects of strategic significance. Failure to continue to operate as a going concern could result in the loss of its interest in its resource properties and/or the indefinite suspension of its exploration activities. The Company's financial statements and management's discussion and analysis do not reflect the adjustments to the carrying values of assets that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

The Company believes that the recently-acquired Nyanza Project in Kenya is an asset of strategic significance and has initiated an exploration program with plans to increase exploration activities on this large land package in the future. The Company will require additional funding to continue its exploration programs beyond the recently-completed Phase 1 program consisting of soil sampling, geophysics and drilling programs. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

1.7 Off-Balance Sheet Arrangements

At January 31, 2012, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.8 Disclosure Controls and Internal Controls Over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure and to provide reasonable assurance that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules.

The Chief Executive Officer and the Chief Financial Officer have also designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected.

There were no changes in internal controls over financial reporting during the period ended January 31, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

1.9 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of recoverable value of its mineral properties and related deferred expenditures, the value of stock-based compensation and the valuation of deferred income tax assets and liabilities. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The Company's recoverability of the recorded value of its mineral properties and associated deferred expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors, including environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or the proceeds of disposition thereof.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors, including the market value of the Company's shares and the financial objectives of the stock-based instrument holders.

Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values. Deferred income tax assets also result from unused loss carry-forwards and other deductions. The valuation of deferred income tax assets is adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

1.10 Transactions with Related Parties

There were no material transactions with related parties during the period ended January 31, 2012.

1.11 Conversion to International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board announced that accounting standards in Canada are to converge with International Financial Reporting Standards and companies will begin reporting, with comparative data, under IFRS for fiscal years beginning on or after January 1, 2011. The Company's transition date of November 1, 2010 (the "Transition Date") required restatement to IFRS for comparative purposes of amounts previously reported under Canadian GAAP by the Company for the year ended October 31, 2011, including a revised opening balance sheet as at November 1, 2010.

IFRS is based on a conceptual framework that is similar to Canadian GAAP; however, significant differences exist in certain areas of presentation, recognition, measurement, and disclosure. While the adoption of IFRS did not have a material impact on reported cash flows, it did have an impact on the balance sheets and statements of operations and comprehensive loss.

An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's balance sheet, financial performance and cash flows is set out in the following tables and accompanying notes.

IFRS 1, *First-time Adoption of International Financial Reporting Standards*, sets forth guidance for an entity's initial adoption of IFRS. IFRS 1 gives entities adopting IFRS for the first time a number of optional and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. The following are the optional exemptions available under IFRS 1 that the Company has elected to apply to its opening IFRS balance sheet dated November 1, 2010:

> *Share-based payments*
> The election allows the application of IFRS 2, *Share-Based Payments*, only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date.

The Company has elected not to apply the remaining optional exemptions available at the time of transition from Canadian GAAP to IFRS.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS consolidated balance sheet as at the Transition Date are consistent with those made under Canadian GAAP.

IFRS 1 requires an entity to reconcile equity and comprehensive income for certain prior periods. The following represents the reconciliations from Canadian GAAP to IFRS for the respective periods for comprehensive income and equity.

Comprehensive income

The following is a summary of transition adjustments to the Company's comprehensive income from Canadian GAAP to IFRS:

	Year ended October 31, 2011 $	Three-months ended January 31, 2011 $
Comprehensive loss - Canadian GAAP	(695,965)	(169,021)
IFRS adjustments increase (decrease)		
Share-based compensation	78,221	20,590
Comprehensive loss - IFRS	(617,744)	(148,431)

Equity

The following is a summary of transition adjustments to the Company's shareholders' equity from Canadian GAAP to IFRS:

	October 31, 2011 $	January 31, 2011 $	November 1, 2010 $
Equity - Canadian GAAP	11,353,080	9,291,833	9,377,212
IFRS adjustments increase (decrease)			
Share-based compensation	23,747	29,193	30,735
Equity - IFRS	11,376,827	9,321,026	9,407,947

The transition from Canadian GAAP to IFRS resulted in changes to certain accounting policies to be consistent with IFRS, and the Company expects these policies to be effective and available on October 31, 2012, the Company's first annual IFRS reporting date. The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

a) Stock-based compensation

Under IFRS, each tranche of a stock-based award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value was amortized over the vesting period of the respective tranches. Forfeiture estimates are recognized in the period they were estimated, and revised for actual forfeitures in subsequent periods.

Under Canadian GAAP, the fair value of stock-based awards with graded vesting was calculated as a single grant and the resulting fair value was recognized over the vesting period for the grant. Forfeitures were recognized as they occurred. As a result of the conversion to IFRS, resource properties, contributed surplus, loss, and deficit balances were adjusted in the included schedules. Resource properties, contributed surplus and the deficit increased by $30,735, $130,985 and $100,250, respectively at the Transition Date. Additionally, stock-based compensation expense decreased by $20,590 for the three-months ended January 31, 2011 and by $78,221 for the year-ended October 31, 2011.

b) Flow-through shares

Under IFRS, the proceeds received from the issuance of flow-through shares must be allocated between share capital and the obligation to deliver the tax deduction. This allocation is based on the difference between the quoted price of the Company's non-flow-through shares and the amount the investor pays for the flow-through shares.

Under Canadian GAAP, share capital is reduced by the amount of the estimated tax benefit transferred to investors. The renunciation of expenditures associated with all flow-through shares issued by the Company was completed and recognized in accordance with Canadian GAAP prior to the Transition Date. As a result, both share capital and the Company's deficit increased by $565,000 at the Transition Date.

1.12 Risks and Uncertainties

The Company's financial instruments consist of cash, accounts receivable, a convertible debenture, and accounts payable. Management does not believe these financial instruments expose the Company to any significant credit risks, with the exception of the fact that a significant portion of the Company's cash and cash equivalents are on deposit with a major Canadian chartered bank, and all of the sales taxes recoverable are with either the government of Mexico or Canada. A significant portion of the Company's transactions occur in United States, Kenyan and Mexican currencies. Accordingly, the related financial assets and liabilities are subject to fluctuations in the respective exchange rates. The Company has cash and cash equivalents and no interest-bearing debt; accordingly, the Company's interest income is susceptible to fluctuations in interest rates. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

The Company's activities are primarily directed towards the exploration for and the development of mineral deposits. The exploration for, and the development of, mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical and unpredictable; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of metals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or abandoning or delaying the development of a mineral project. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries of commercial quantities of such metals.

In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure and easy access. The Company's non-Canadian property interests are located in Kenya and Mexico, countries with social, political and economic policies that differ from Canada's. Although the Company believes the current conditions in these countries are stable and conducive to conducting business, there is no assurance that such conditions will continue to prevail. Government policies may change to discourage foreign investment or mining; nationalization of mining industries may occur; and other unforeseen limitations, restrictions or requirements may be implemented. There can be no assurance that the Company's assets will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. There can also be no assurance that adverse developments such as terrorism, military repression, civil unrest, crime, extreme fluctuations in currency exchange rates, or high inflation will not occur.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. The Company relies on equity financing for its long-term working capital requirements and to fund its exploration programs. The Company does not have sufficient funds to put any of its resource interests into production from its own financial resources. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

1.13 Outstanding Share Data

a) Common Shares

The Company has authorized an unlimited number of common shares without par value.

- At January 31, 2012 and April 16, 2012, the Company had issued and outstanding 63,431,934 common shares with a recorded value of $20,712,545.

During the current quarter, the Company received subscriptions receivable related to 411,950 common shares and issued 949,658 common shares to African Queen Mines Limited ("African Queen") in connection with a settlement agreement announced on November 28, 2011. The settlement agreement related to a dispute over certain mineral claims within the Nyanza Project and included the acquisition of certain project-related data by the Company from AQ for US$500,000, of which US$200,000 was paid through the issuance of 949,658 common shares of the Company.

b) Warrants

- At January 31, 2012 and April 16, 2012, the Company had issued and outstanding 3,074,375 warrants with a recorded value of $318,508. The warrants are exercisable at $0.35 until October 28, 2013. The expiry of the warrants may be accelerated by the Company if the Company's shares trade above $0.50 for twenty consecutive trading days.

c) Stock Options

- At January 31, 2012 and April 16, 2012, the Company had 5,850,000 stock options outstanding, exercisable into common shares of the Company at an average exercise price of $0.30 per share, expiring between January 31, 2013 and January 12, 2017.

1.14 Deferred Resource Property Expenditures

Details of the Company's deferred resource property expenditures during the period ended January 31, 2012 are included in Schedule "A".

During the period, the Company incurred deferred exploration expenditures of $965,328, of which $949,600, or 98%, was incurred on the Nyanza Project in Kenya, including $508,820 (US$500,000) for the acquisition of certain technical information acquired from African Queen Mines Ltd. Minimal costs were incurred on the Company's La Morena, Seymour Lake and KM61 properties during the quarter, as the focus of the Company's exploration efforts was on the Nyanza Project.

Kenya

Linear has the right to earn an 80% interest in mineral exploration licenses and license applications that have received preliminary approval, which together cover approximately 1,288 square kilometres (the "Nyanza Project"), by incurring exploration expenditures of US$4.0 million and making cash payments to its partners totaling US$300,000. Linear can increase its interest in these licenses to up to 95% should its partners, two privately-owned companies, choose for Linear to fund certain expenditures beyond Linear's initial US$4.0 million earn-in.

Linear has received preliminary approval for the Sotik License, located approximately 40 kilometres east of the Company's Nyanza Project and outside of the area of interest ("AOI"), where final approval is pending for a license covering 658 square kilometres. Upon receipt of the final license approval, Linear will own a 100% interest in the Sotik license, where preliminary reconnaissance has discovered at least six artisanal and colonial workings in the central part of the license alone.

Linear also received final approval for two new licenses, SPL 1062 and SPL 1066, located on the western margin of SPL 258, covering an additional 6 to 12 kilometres of strike length of the greenstone belt. Further to the west, the greenstone is covered by Teritary volcanics and sediments. Final approval of the remaining applications in the JV area is expected over the coming months.

Nyanza Project

During the quarter, Linear's joint venture partner, B&M, reached a settlement agreement relating to a dispute over certain mineral claims within the Nyana Project with Abba Mining Company Limited ("Abba"), a joint venture partner of African Queen (the "Agreement"). Linear and African Queen consented to and were parties to the Agreement.

Pursuant to the terms of the Agreement, Linear's partner, B&M, remains the beneficial owner of Special License No. 214 covering an area of 15 square kilometers in the Rongo area, Migori District, Kenya ("SPL 214"), subject to 1% NSRs which were granted to each of African Queen and Abba as part of the settlement. The Agreement also provided that Abba will remain the beneficial owner of Special License No. 287 covering an approximate area of 97 square kilometers surrounding SPL 214. The Agreement was approved by the Commissioner of Mines and Geology of the Government of the Republic of Kenya, Mr. Moses N. Masibo.

In connection with the Agreement, Linear acquired technical information pertaining to SPL 214 and agreed to reimburse African Queen US$500,000 as follows:

i. US$150,000 paid during the quarter following receipt of the technical information;
ii. US$200,000 paid during the quarter through the issuance of 949,658 common shares of Linear; and
iii. US$150,000 payable by December 12, 2012.

Linear's Nyanza Project exploration program was initiated in Q2 2011 and continued during the first quarter of 2012. The initial program included soil sampling, geophysics and an initial drill program of 3,000 metres of diamond drilling including the completion of approximately 1,200 metres of drilling in nine drill holes during Q1 2012.

During the first part of the quarter, the Company continued drilling within the Awuoro-Kanga areas of the project with the completion of drill holes KE-11-13 to 11-15, representing approximately 400 metres (KE-11-15 was abandoned at 17.5 metres). Drilling to date in this area has comprised approximately 2,300 metres in 15 drill-holes, spread over four main target areas with at least six targets remaining to be drill tested. The drill program was successful in returning high-grade gold assays from the Ruga gold-in-soil trend which appears to represent a large structural system extending over three kilometres in strike length and one kilometre in width, with only a small portion (<5%) tested by the 2011 drill program.

The Company commenced drilling on SPL 214, in the Kamwango area following the resolution of a land tenure issue in November 2011. Within the Kamwango area, during December 2011 and January 2012, the Company drilled KG-11-01 to 11-07 for a total of approximately 700 metres of drilling. The drill program was successful in returning significant gold assays from KG-11-01, 11-02 and 11-03, with assays for the remaining four drill holes pending as of the date of this report.

Following the end of the current quarter, Linear initiated induced polarization ("IP") geophysical and quartz pebble lag geochemistry surveys over the Kamwango area. The IP survey will consist of 30 line kilometres of Gradient surveying on 100 metre spaced lines with follow-up of Pole-Dipole lines where warranted. Linear expects to extend the IP and soil geochemistry coverage to the northwest with another 2 x 2 kilometre grid block covering additional artisanal workings.

Planning is in progress for an expanded drill program which will incorporate the results of the IP and geochemical surveys as well as ongoing mapping in the area. Linear anticipates the expanded drill program will be designed to better define the mineralized zones intercepted in previous drilling as well as test multiple new drill targets in the Kamwango area. The overall scope and scale of the 2012 exploration program will be determined based on on-going drill results and the overall financing environment.

KM61

The Company holds a 100% interest in the KM61 molybdenum-copper-silver project, located near Armstrong, Ontario. An independent 43-101 Mineral Resource Estimate for the Main Zone at KM61 was completed in December 2008, with an indicated resource of 66.6 million tonnes at 0.053% Mo, 0.09% Cu, and 2.6 g/t Ag (0.063% molybdenum equivalent) and an inferred resource of 38.9 million tonnes at 0.054% Mo, 0.09% Cu, and 2.7 g/t Ag (0.065% molybdenum equivalent). Please refer to the Company's NI 43-101 Technical Report filed on SEDAR on January 22, 2009 for further details.

The property is subject to a 0.5% NSR over five claims, including the mineralized zone. The majority of two additional claims are also subject to the 0.5% NSR, with relatively small portions subject to a 3% NSR. The remaining KM61 claims are not subject to any royalty. The Company can repurchase 50% of the 0.5% NSR for $250,000 and/or 50% of the 3% NSR for $1,000,000.

While the Company believes that the long-term prospects for molybdenum prices and the KM61 project remain positive, the Company is not planning any additional work on the project at this time. The Company is seeking a joint venture or strategic partner to advance the project and will continue to maintain the KM61 property in good standing. As a result and in light of market conditions, during the period the Company recognized an impairment write-down of $4.4 million related to its interest in the KM61 property.

Seymour Lake

The Company holds a 100% interest in the Seymour Lake lithium-tantalum-beryllium property, located near Armstrong, Ontario. Certain portions of the Seymour Lake property are subject to a 3% NSR, of which 1.5% can be repurchased by the Company for $1,000,000.

The Company had previously entered an agreement with a private company pursuant to which the Company granted an option to earn a 70% interest in the Seymour Lake Property. As of the date of this report, the optionee has not made certain payments required pursuant to the option agreement.

Canada Other

On November 4, 2010, the Company entered into two separate option agreements to acquire up to a 100% interest, subject to certain net smelter royalties, in two early-stage exploration properties in Ontario, Canada by making payments and incurring exploration expenditures over a two-year period. Subsequent to January 31, 2012, the Company entered into a formal agreement with Greencastle Resources Ltd. ("Greencastle") covering these properties. See section 1.15 for additional details.

La Morena

The Company holds a 100% interest in the La Morena copper-silver property located in the state of Coahuila, Mexico. During 2010, the Company carried out an exploration program on the La Morena project that included the re-establishment of a historical grid in the La Diana area and the establishment of a new grid in the unexplored El Refugio area to the north. Approximately 20 kilometres of Induced Polarization ("IP") surveying were completed on the La Diana grid and 12 kilometres were completed on the El Refugio grid. An approximate 1,500 metre drill program was completed to test anomalies identified through the IP survey as well as mineralized horizons and structures identified in some of the old artisanal mine workings on the Refugio Grid. The drill program returned encouraging results with several high grade but narrow intersections (e.g. 0.3 metres @ 397 g/t Ag, 11.9% Pb, and 12.1% Zn; 2.45 metres @ 179 g/t Ag, 3.6% Pb) within larger zones of low-grade Ag-Pb-Zn mineralization that warrant follow-up drilling.

Additionally, a deep IP target remains untested on the Diana Grid, where two flanking holes returned significant Cu-Ag intersections in a 2005-2006 drill program (21.2 metres @ 1.4% Cu, 140.4 g/t Ag, and 218 g/t Ag over 23 metres). The target is also a high priority for additional drilling and the Company is seeking joint venture or strategic partners to advance this project.

1.15 Subsequent Events

Subsequent to the end of the period, the Company signed a formal agreement with Greencastle, whereby the Company signed all right, title, and interest in and to the option of its two early-stage exploration properties located in Ontario, Canada. Consideration by Greencastle for the assignment of the option agreements consisted of an initial payment of $20,000 and issuance to the Company of 100,000 common shares of Greencastle, which were received by the Company subsequent to the end of the period. On the first anniversary of the agreement, Greencastle may elect to continue the options and make a final payment to the Company of up to $20,000 and an additional 100,000 common shares of Greencastle. The properties are subject to a 2% net smelter royalty. Greencastle has the option to purchase half of each royalty for $1,000,000 and has granted the Company the right to purchase 25% of this purchased royalty for $500,000.

1.16 Other Information

Additional information regarding the Company is available on SEDAR at www.sedar.com.

LINEAR METALS CORPORATION

Schedule "A"

Schedule of Resource Properties
For the period ended January 31, 2012

Details of Resource Properties

	Kenya	KM61	Seymour Lake	Canada Other	La Morena	Total 2012
Mineral Properties						
Balance, beginning of the period	$ 17,045	$ 23,205	$ 70,937	$ 5,000	6,041	$ 122,228
Expenditures during the period	-	-	-	-	-	-
Balance, end of the period	17,045	23,205	70,937	5,000	6,041	122,228
Deferred Exploration expenditures						
Drilling	303,492	-	-	-	-	303,492
Geochemistry	87	-	-	-	-	87
Geology	634,920	4,000	6,185	-	5,543	650,648
Geophysics	11,101	-	-	-	-	11,101
	949,600	4,000	6,185	-	5,543	965,328
Balance, beginning of the period	1,227,565	8,377,968	1,048,594	-	720,488	11,374,615
Balance, end of the period	2,177,165	8,381,968	1,054,779	-	726,031	12,339,943
	2,194,210	8,405,173	1,125,716	5,000	732,072	12,462,171
Proceeds from option payments	-	-	-	-	-	-
Impairment write-down	-	(4,405,173)	-	-	-	(4,405,173)
Mineral properties and deferred exploration expenditures	$ 2,194,210	$ 4,000,000	$ 1,125,716	$ 5,000	$ 732,072	$ 8,056,998