LA IMPERIAL RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

YEAR END AUGUST 31, 2012

December 21, 2012

The following discussion and analysis of the results of operations and financial condition ("MD&A") for La Imperial Resources Inc. ("the Company") should be read in conjunction with the audited financial statements for the year ended August 31, 2012 and related notes thereto. The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is December 21, 2012.

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

FORWARD-LOOKING INFORMATION

This MD&A together with the Company's financial statements for the year ended August 31, 2012 contain certain statements that may be deemed "forward-looking statements". Forward looking statements in this document are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "continue", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Inherent in forward-looking statements involve known and unknown risks, and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, competition, fluctuation in foreign exchange rates, competition, stock market volatility, unanticipated operating events and liabilities inherent in industry. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Description of Business

La Imperial Resources Inc. (the "Company") was incorporated on October 4, 2004 under the Canada Business Corporations Act and its principal activity is the acquisition and exploration of mineral properties.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares are listed on the CNQ Stock Exchange under the symbol LAI.

The Company has its corporate and administrative office in Vancouver and a field office in, Chihuahua, Mexico.

Subsidiary

The Company acquired on November 8, 2006 a 99.9% interest in La Kathrina de Mexico, S.A de CV ("La Kathrina"), a Mexican company, by issuing six million common shares valued at $300,000, subject to an escrow restriction, to the La Kathrina shareholders, which included two company directors and certain family members. La Kathrina's sole asset and undertaking are the Uruachi concessions located in the state of Chichuahua, Mexico.

The acquisition was accounted for by the purchase method, with the Company identified as the acquirer, for consideration comprised of 6,000,000 shares valued at $300,000, the amount was based on the estimated expenditures incurred on the property by La Kathrina prior to the acquisition. The purchase price was allocated entirely to mineral property acquisition costs.

Mineral Project

Uruachi Concessions - Chichuahua, Mexico
State of Chichuahua, Mexico

The Company entered into an agreement on November 30, 2005, subject to the expenditure of $200,000 on exploration and also for due diligence, and on November 8, 2006 acquired 99.9% of the outstanding common shares of La Kathrina in consideration for the issue of six million Company common shares (issued) at $0.05 per share, for a total payment of $300,000. La Kathrina has a 70% interest in six mining concessions covering 12,959 hectares.

The Property is located at approximately 27˚ 50' North Latitude, 108˚ 30' West Longitude in the Municipality of Uruachi, at 170km S56˚ W of Cuauhtemoc, 255km S 75˚ W of Chihuahua and 45km east of the boundary of the State of Sonora.

The Geologic Mining Monograph for the State of Chihuahua, (1994) describes the location of Cerro Verde mineral showing (not on the Property but contained within the Tojiachic Concessions) as a copper/gold/silver skarn occurrence and the S. Vase Del Pinal (also outside the Company's concessions but within the Pinal 4 concession surrounded by the Company's area of interest) as a gold/silver vein.

Past ownership of the property is not known. Work done by the vendor, Mr. Ernesto Santillan Pinon, has been minimal. The Company has completed no work on its own account, aside from site visits to the mineral occurrences. The current active period of exploration was initiated in 1996 by David Ross with sampling and analysis of material from the Pamachic showings.

David Ross visited the area in 1996 collecting samples from the Pamachic and Cerro Verde showings. Sampling and geological reconnaissance were undertaken during 2002 by Mr. Ross and a property visit was completed by Peter Tegart, P. Geo., during July 2002. Rock samples were collected by D. Ross but were not described in detail. Petrographic undertaken by Lloyd Clark, P.Eng on two rock specimens from Pamachic: Ross #1 and Ross #2 in August 1996, with Sample #1 being described as a porphyritic felsic volcanic or fine grained dyke rock and sample #2 described as a clay carbonate-oxide rock interpreted as a volcanic exhalite.

Craig Leitch, Ph.D, P.Eng on March 31, 2002 also described a specimen from Pamachic as a garnet-clinopyroxene-quartz skarn partly retrograded to chlorite/hydrobiotite and containing copper oxides and carbonates.

In 2003 Calypso Acquisition Corp. completed rock and drainage geochemistry on the property. Rock samples were collected as chip samples by one of the Report Authors during March 2003. The samples collected by the Author in 2003 were delivered to ALS Chemex in North Vancouver for analysis for thirty-five elements by Aqua Regia solution and analysis by Induction Coupled Plasma ("I.C.P.") methods. Sample preparation included fine crushing to 70% - 2mm, splitting and pulverizing to 85% - 75um. Gold was analyzed using Au – AA23 (Au 30g FA – AA finish), silver Ag – AA46 – (aqua regia AA), Cu/Zn – AA46 aqua regia/AA. The samples were retained in the Author's possession until delivery to the laboratory.

During the year ended August 31, 2012, the Company determined that the recoverable value of the property was impaired, and recognized an impairment provision of $1,303,953.

The Company plans to complete the exploration programs recommended in the Report. The Company plans to complete further exploration and development on the concessions based on the results of these programs.

Risks and Uncertainties

The Company’s principal activity of mineral exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks being:

1. Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;

2. The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them;

3. Although the Company has taken steps to verify title to the mineral properties it has an interest in or is earning into, there is no guarantee that the property will not be subject to title disputes or undetected defects; and

4. The global economy experienced a significant downturn which has negatively impacted commodity prices and credit availability which in turn has significantly reduced valuations of most companies in the resource sector. As such, the markets where the Company has traditionally raised equity capital have been significantly curtailed. As such, it will most likely be more difficult and costly, in terms of dilution, to raise equity capital over the short and medium term.

Results of Operation

During the year ended August 31, 2012 the Company recorded a loss of $1,564,630 or $0.13 diluted loss per share, compared to a loss of $295,583 or $0.02 diluted per share for the year ended August 31, 2011. The increase in the loss reported is primarily due to the impairment of exploration and evaluation assets of $1,303,953.

- Administration fees of $18,000 (2011-$30,000) were paid to a private company for secretarial and general administrative services.

- Interest expense of $161,580 (2011-$107,201) was accrued from cash advances from former related and unrelated parties of the Company. The loans are unsecured, bear interest of 12% per annum, and have no fixed terms of repayment.

- Consulting fees of $5,000 (2011-$1,500) were paid for general management and consulting fee.

Also, during the year ended August 31, 2012 the Company incurred office expenses of $15,911 (2011- $16,315), professional fees of $42,328 (2011-$39,622), travel of $10,234 (2011-$12,935) and transfer and filing fees of $7,156 (2011-$2,138)

Selected Annual Information

The following financial data, which has been prepared in accordance with International Financial Reporting Standards, is derived from the Company's audited financial statements for the year ended August 31, 2012, 2011 and 2010.

	2012 $	2011 $	2010 $
Interest Income	54	52	-
Net income (loss) for the period	(1,564,630)	(295,583)	63,834
Basic and diluted earnings (loss) per share	(0.130	(0.02)	0.01
Total Assets	6,530	1,273,615	1,107,583
Income Tax Liabilities	Nil	Nil	Nil

The net loss was higher in 2012 compared to 2011 due to the impairment of exploration and evaluation assets of $1,303,953 during the year 2012.

The Company's accounting policy is to record its mineral properties at cost. Costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, or the property is abandoned, the property is written down to its net realizable value.

Summary of Quarterly Results

The selected information set out below has been gathered from quarterly consolidated financial statements:

	Three Months Period Ended			
	August 31, 2012 $	May 31, 2012 $	February 28, 2012 $	November 30, 2011 $
Interest Income	54	54	Nil	Nil
Net Gain (Loss)	(1,332,757)	(80,910)	(71,004)	(79,959)
Basic and diluted per share	(0.11)	(0.01)	(0.01)	(0.01)

	Three Months Period Ended			
	August 31, 2011 $	May 31, 2011 $	February 28, 2011 $	November 30, 2010 $
Interest Income	Nil	52	Nil	Nil
Net Gain (Loss)	(55,790)	(75,573)	(120,393)	(43,827)
Basic and diluted per share	(0.00)	(0.01)	(0.01)	(0.00)

The above table includes adjustments to net income (loss) totals and per share values after implementation of IFRS adjustments. The following schedule reconciles net income (loss) and per share income (loss) for the four quarters ended August 31, 2011. No adjustments were made to fiscal 2010 figures.

	As original Reported $	IFRS adjustment $	Balance under IFRS $	Per share Under IFRS
August 31, 2011	(55,790)	-	(55,790)	(0.00)
May 31, 2011	(75,573)	-	(75,573)	(0.01)
February 28, 2011	(120,393)	-	(120,393)	(0.01)
November 30, 2010	(43,827)	-	(43,827)	(0.00)

The Company's loss remained at consistent levels through the eight quarters. During the fourth quarter of fiscal 2012 net loss increased due to the impairment of exploration and evaluation assets.

Fourth Quarter

During the fourth quarter of 2012, the Company reported a loss of $1,332,757 compared to net loss of $55,790 in the fourth quarter of 2011. Also, during the fourth quarter of 2012, the Company wrote off of exploration and evaluation assets of $1,303,953.

Liquidity and Capital Resources

The Company has $6 in cash on hand. The Company has a working capital deficiency of $1,930,362 as at August 31, 2012 and deficit of $3,366,399. The Company's continued existence as a going concern is dependent upon the continued support of related parties and its ability to raise adequate long-term financing.

The Company will continue to require funds and as a result, will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any commitments for material capital expenditures over either the near or long term and none are presently contemplated other than as disclosed above or over normal operating requirements.

Commitments and Significant Contracts

In November, 2011 a claim was asserted against the Company for unpaid fees of approximately $100,000. The Company filed a response disputing the claim in December 2011. The Company has accrued $54,107 towards this claim. The claim remains unsettled and to date the outcome cannot be determined.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Related Party Transactions

As at August 31, 2012, the Company did not owe any amounts to related parties. A total of $61,000 was owed to former related parties at August 31, 2012 (2011 - $61,000) for services and advances provided. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended August 31, 2012, the Company incurred $Nil (2011 - $1,500) in consulting fees for services provided by former directors and officers of the Company.

New Standards Not Yet Adopted

IFRS 9 – Financial Instruments, as issued in November 2009 and revised in October 2010 is required to be adopted by 2013, subject to confirmation by the International Accounting Standards Board. The standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 and divides all financial assets that are currently in the scope of IAS 39 into two classifications; amortized cost and those measured at fair value.

IFRS 10 – Consolidated Financial Statements builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Corporation.

IFRS 11 – Joint Arrangements establishes the principles for financial reporting by entities when they have an interest in arrangements that are jointly controlled.

IFRS 12 – Disclosure of Interest in Other Entities provides the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and other off balance sheet entities.

IFRS 13 – Fair Value Measurement defines fair value, requires disclosure about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

IAS 28 – Investments in Associate and Joint Ventures revised the existing standard and prescribes the accounting for investments and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Each of the new standards or amendments is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, except for IFRS 9, Financial Instruments, which is effective for annual periods beginning on or after January 1, 2015. The Company has not yet completed its evaluation of the effect of adopting these standards on its consolidated financial statements.

First-Time Adoption of International Financial Reporting Standards ("IFRS")

The consolidated financial statements for the year ended August 31, 2012 are the Company's first financial statements prepared under IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result the first date at which the Company has applied IFRS was September 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be August 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with Canadian GAAP.

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared -in accordance with Canadian GAAP.

Initial elections upon adoption

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS.

Business Combinations

The Company elected not to retrospectively apply IFRS 3 Business Combinations to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

Share-based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Exploration and evaluation assets

The Company has elected to adopt the provisions of IFRS 6 which allow the Company to continue with the current accounting policies regarding the accounting for exploration and evaluation expenditures. Under Canadian GAAP the Company capitalizes amounts spent on exploration to the carrying value of its mineral properties.

Compound Financial Instruments

The Company has elected not to retrospectively separate the liability and equity components of compound instruments for which the liability component is no longer outstanding at the date of transition to IFRS.

Derecognition of Financial Assets and Liabilities

The Company has applied the derecognition requirements in IAS 39 Financial Instruments: Recognition and Measurement prospectively from the Transition Date. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the Transition Date in accordance with Canadian GAAP have not been reviewed for compliance with IAS 39.

Estimates

IFRS 1 prohibits use of hindsight to create or revise previous estimates. The estimates the Company previously made under Canadian GAAP have not been revised for application of IFRS.

Reconciliations of Canadian GAAP to IFRS

The adoption of IFRS had no impact on the equity of the Company as at August 31, 2011 and September 1, 2010 and the comprehensive loss and cash flows for the year ended August 31, 2011 that were previously reported in accordance with Canadian GAAP.

Management Financial Risks

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
b. Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
c. Level 3 – inputs that are not based on observable market data.

	Financial assets at fair value			
	Level 1	Level 2	Level 3	August 31, 2012
Held-for-trading financial asset				
Cash	$ 6	$ -	$ -	$ 6
Other receivable	-	773	-	773
Restricted cash	5,750	-	-	5,750
Total financial assets at fair value	$ 5,756	$ 773	$ -	$ 6,529

	Financial assets at fair value			
	Level 1	Level 2	Level 3	August 31, 2011
Held-for-trading financial asset				
Cash	$ 6	$ -	$ -	$ 6
Other receivable	-	4,473	-	4,473
Restricted cash	5,750	-	-	5,750
Total financial assets at fair value	$ 5,756	$ 4,473	$ -	$ 10,229

	Financial assets at fair value			
	Level 1	Level 2	Level 3	September 1, 2010
Held-for-trading financial asset				
Bank overdraft	$ (14)	$ -	$ -	$ (14)
Other receivable	-	7,868	-	7,868
Restricted cash	5,750	-	-	5,750
Total financial assets at fair value	$ 5,736	$ 7,868	$ -	$ 13,604

Financial liabilities included in the statement of financial position are as follows:

	August 31, 2012	August 31, 2011	September 1, 2010
Non-derivative financial liabilities:			
Trade and other payables	$ 311,938	$ 329,137	$ 438,816
Unsecured advances	1,601,203	1,233,459	661,165
Due to related parties	-	61,000	61,000
	1,931,141	1,633,596	1,171,995

The fair values of the Company's accounts receivable, amount due to related parties and accounts payable and accrued expenses approximate their carrying values due to their short term nature.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company currently does not have sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in bank accounts which are available on demand. As a result, liquidity risk is assessed as high.

Interest rate risk

The Company's bank account earns interest income at variable rates. The fair value of its cash is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

The Company has some advances which bear interest at a fixed rate and, thus, do not expose the Company to interest rate risk.

Capital Rick Management

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide adequate return to shareholders by maintaining a sufficient level of funds, in order to support the acquisition, exploration and development of mineral properties. 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 Company is dependent on external financing to fund its activities. In order to carry out property acquisitions and exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential, and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Management's Report on Internal Control Over Financing Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outstanding Shares

As at December 21, 2012, the Company had the following securities issued and outstanding:

a) Authorized: Unlimited number of common shares without par value.

b) Issued and outstanding shares: 12,085,970