A IMPERIAL RESOURCES INC.

For the Period Ended

FEBRUARY 28, 2011

April 14, 2011

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 Company's Management's Discussion and Analysis of Operating Results, the unaudited interim financial statements and the accompanying notes for the six month period ended February 28, 2011 and the audited financial statements for the year ended August 31, 2010.

FORWARD-LOOKING INFORMATION

This MD&A together with the Company's financial statements for the period February 28, 2011 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.

Overall Performance

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 located in Mexico.

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 Kathrine 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 seven mining concessions covering 13,209 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 collected as chip samples by one of the Report Authors during March 2003.l

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.

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 six months period ended February 28, 2011 the Company recorded a loss of $120,393 or $0.01 diluted loss per share, compared to loss of $77,726 or $0.01 diluted per share for the same period last year.

- Management/consulting fees include consulting fee of $65,837 (2010-$Nil) and $7,500 (2010-$4,566) paid to a private company in consideration of management consulting services, including day to day administration, identifying and evaluating business opportunities for the Company, and overseeing regulatory filings and requirements. Included in

- Administration fee of 7,500 (2009-$7,500) were paid to a private company for secretarial and general administrative services.

- Interest expenses of $27,275 (2010-$20,314) accrued from the shareholders of the Company. The loans are unsecured and bears interest of 12% per annum, with no fixed terms of repayment.

Also, during the period ended February 28, 2011 the Company also incurred office expenses of $4,221 (2010- $6,157), legal, audit and accounting of $5,500 (2010-$4,900), travel of $600 (2010-$21,226) and transfer and filing fees of $1,659 (2010-$5,122)

Summary of Quarterly Results

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

	Three Months Period Ended			
	February 28, 2011 $	November 30, 2010 $	August 31, 2010 $	May 31, 2010 $
Interest Income	Nil	Nil	Nil	Nil
Net Loss	(120,393)	(43,827)	(216,138)	(54,396)
Basic and diluted per share	(0.01)	(0.04)	(0.00)	(0.00)

	Three Months Period Ended			
	February 28, 2010 $	November 30, 2009 $	August 31, 2009 $	May 31, 2009 $
Interest Income	Nil	Nil	Nil	Nil
Net Loss	(56,230)	(41,678)	(241,270)	(42,093)
Basic and diluted per share	(0.01)	(0.02)	(0.02)	(0.01)

The Company's loss remained at consistent levels through the eight quarters. During the second quarter of fiscal 2011 net loss increase due to increased in consulting fee. During the fourth quarter of fiscal 2010 net loss was decreased due to the debt forgiveness of $240,000 and legal fee recovery of $18,082.

The Company's accounting policy is to record its mineral properties at cost. Exploration and development expenditures relating to mineral properties are deferred until either the properties are brought into production, at which time they are amortized on a unit of production basis, or until the properties are sold or abandoned, at which time the deferred costs are written off.

Liquidity and Capital Resources

The Company has $52 in cash on hand. The Company has a working capital deficiency of $1,322,597 as at February 28, 2011 and deficit of $1,670,406. The Company continues to be able to generate sufficient cash resources in private placement financings. 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.

Financial Instruments

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at February 28, 2011, the Company's financial instruments are cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The amounts reflected in the balance sheet are carrying amounts and approximate their fair values due to the short-term nature and negligible credit losses.

The Company does not use derivative instruments or hedges to manage risks because the Company's exposure to credit risk, interest rate risk and currency risk is small.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents, accounts receivable are exposed to credit risk. The credit risk on cash is small because the counterparties are highly rated banks. The credit risk on HST are small because the counterparties are the Government of Canada (HST input tax credits recoverable).

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet short term financial obligations after taking into account its administrative obligations and cash and cash equivalents on hand.

<u>Transactions with Related Parties</u>

During the period ended February 28, 2011, the Company entered into the following transactions with related parties which were measured at the exchange amount, which is the amount agreed upon by the transacting parties. Unless otherwise noted, amounts due to related parties are unsecured and non-interest bearing with no specific terms for repayment.

- During the year, unsecured non-interest bearing advances of $80,000 to the Company from certain shareholders were forgiven. The Company also obtained an additional unsecured non-interest bearing advance of $50,000 from a shareholder.

<u>Adoption of New Accounting Policies</u>

Financial Instrument Disclosures

Effective May 1, 2009, the Company adopted new accounting policies of the amended CICA Handbook Section 3862, Financial Instruments – Disclosure. These amendments provide for additional disclosure requirements about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. These disclosures are included in Note 9 of these financial statements.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (“IFRS”) over an expected five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of September 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2012. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Goodwill and Intangible Assets (Section 3064)

This new standard replaces the current standard for goodwill and intangible assets, Section 3062, and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008, and therefore the Company has implemented it as of September 1, 2009. The adoption of this standard did not have an impact on the consolidated financial statements.

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective for fiscal years beginning on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim consolidated financial statements for the three months ended September 1, 2011, which must include the interim results for the prior period ended July 31, 2011 prepared on the same basis. IFRS uses a conceptual framework similar to Canadian GAAP, but there are some significant differences on recognition, measurement and disclosure. While the Company has begun assessing the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. The impact is also heavily dependent on the outcome of the Company's process to identify and evaluate of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

The Company believes it will be able to manage the transition to IFRS from Canadian GAAP using internal resources with limited external assistance.

This conversion project will consist of three phases: 1) general planning and scoping, 2) detailed assessment of accounting policy differences and detailed conversion planning, and 3) implementation, parallel reporting and review.

During the Company's scoping of existing IFRS compared to Canadian GAAP, the following areas have been identified as having the highest potential impact on the Company's financial reporting:

IFRS 1, First-time Adoption of IFRS

IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective applications of IFRS. The purpose of the options is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction. We have analyzed the various exemptions available and are working towards implementing those most appropriate in our circumstances.

Asset Impairment

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Share Based Payments

IFRS and Canadian GAAP largely converge on the accounting treatment for share – based transactions with only a few differences.

Canadian GAAP allows either accelerated or straight-line method of amortization for the fair value of stock options under graded vesting.

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. The Company is currently using the estimate of forfeitures when determining the number of equity instruments expected to vest.

Upon adoption of IFRS 2, the Company will change both the method of amortization, which would give rise to an accelerated compensation expense, and the method of forfeiture recognition. The change is not expected to have a material impact on the Company's financial statements.

Exploration and Evaluation Assets

Under the Company's current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation assets. The Company can decide to apply the International Accounting Standards Board ("IASB") Framework which requires exploration expenditures to be expensed and capitalization of expenditures only after the completion of a feasibility study or choose to and keep the existing Company's policy, if relevant and reliable.

No difference as the Company will continue to capitalize all acquisition, exploration and evaluation costs.

Property, Plant and Equipment

Under IFRS, Property, Plant and Equipment ("PP&E") can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and the revaluation is prohibited.

Upon adoption of IFRS, the Company has to determine whether to elect a cost model or revaluation model. Management has yet to decide on which model to adopt. Currently, the Company only has equipment capitalized as property, plant and equipment and as a result there will be not significant impact on the adoption of either IFRS model on the Company's financial statements.

In accordance with IAS 16 "Property, Plant and Equipment", upon acquisition of significant assets, the Company will need to allocate an amount initially recognized in respect of an asset to its component parts and accounts for each component separately when the components have different useful lives or the components provide benefits to the entity in a different pattern.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosure requirements. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required for its financial statements.

As the Company elects and approves the IFRS accounting policy for each of the areas above, management will determine and disclose the potential impact of the IFRS adoption at the transition date on our financial statements. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period and, as a result, the final impact of IFRS on the Company's financial statements will only be measured once all the IFRS applicable accounting standards at the conversion date are known.

Based on management's assessment of the information system currently used by the Company, all information required to be reported under IFRS is expected to be available with minimal system changes.

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Outstanding Shares

As at April 14, 2011, 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