# GTA RESOURCES AND MINING INC.

## MANAGEMENT'S DISCUSSION & ANALYSIS

## FOR THE NINE MONTHS ENDED DECEMBER 31, 2011

## Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of GTA Resources and Mining Inc. (A Development Stage Company) ("GTA" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended December 31, 2011. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended March 31, 2011 and 2010, as well as the unaudited condensed interim financial statements for the nine months ended December 31, 2011, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim period presented are not necessarily indicative of the results may be expected for any future period. The Company is presently a "Venture Issuer" as defined in NI 51-102.

As of April 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed interim financial statements for the nine months ended December 31, 2011, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and using accounting policies consistent with IFRS. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Readers of this MD&A should refer to "Changes in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation.

The comparative financial information for 2010 in this M&DA has been restated to conform to IFRS, unless otherwise stated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of GTA's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity

The MD&A was reviewed and approved by the Audit Committee and the Board of Directors and is effective as of February 28, 2012.

## Forward Looking Information

Certain information regarding the Company within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such thing as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

**Nature of the Business and Overall Performance**

The Company was incorporated on August 9, 2006 under the Business Corporations Act (Ontario) under the name "GTA CorpFin Capital Inc.".

Originally listed as a Capital Pool Company ("CPC") the Company completed its initial public offering with Canaccord Capital Corp. acting as agent and was listed on the TSX Venture Exchange (the "TSX") on September 17, 2007. The Company is a reporting issuer in Ontario, British Columbia and Alberta.

On April 8, 2010, the Company entered into a purchase agreement with 1518164 Ontario Inc. ("151") pursuant to which the Company acquired the Auden Property from 151 in consideration for the issuance of 5,074,855 common shares of the Company, at a deemed price of $0.20 per share.

The Company completed its Qualifying Transaction in June, 2010, thereby acquiring the Auden Property, completing a private placement of 3,375,000 common shares for proceeds to the Company of $720,000 and changed its name to GTA Resources and Mining Inc. The Company resumed trading on the TSX as a Tier 2 Mining Issuer on June 22, 2010 under the symbol "GTA".

**Financing**

On December 23, 2011 the Company completed a private placement financing for gross proceeds of $157,000.

The private placement consisted of 166,668 Flow-Through Units at $0.30 per Flow-Through Unit for gross proceeds of $50,000, and 428,000 Units at $0.25 per Unit for gross proceeds of $107,000. Each Flow-Through Unit consists of one common share, issued on a flow -through basis, and one half warrant of the Company. Each Unit consists of one common share and one half warrant of the Company. Each warrant entitles the holder to purchase one common share at a price of $0.35 until December 23, 2012.

Compensation to agents consisted of a cash commission of $4,800 and 18,000 agent's warrants, each such agent's warrant entitling the holder to acquire one common share for $0.35 until December 23, 2012.

**Selected Quarterly Financial Information**

| | Three Months Ended Dec 31, 2011 (IFRS) | Three Months Ended Sep 30, 2011 (IFRS) | Three Months Ended Jun 30, 2011 (IFRS) | Three Months Ended Mar 31, 2011 (Canadian GAAP) |
|---|---|---|---|---|
| Total assets | $ 1,936,509 | $ 1,870,887 | $ 1,736,849 | $ 2,137,300 |
| Working capital | $ 149,778 | $ 80,392 | $ 426,164 | $ 544,025 |
| Net loss for the period | $ 85,811 | $ 92,248 | $ 63,290 | $ 28,346 |
| Loss per share | $ 0.01 | $ 0.01 | $ 0.00 | $ 0.00 |

| | Three Months Ended Dec 31, 2010 (Canadian AAP) | Three Months Ended Sep 30, 2010 (Canadian GAAP) | Three Months Ended Jun 30, 2010 (Canadian GAAP) | Three Months Ended Mar 31, 2010 (Canadian GAAP) |
|---|---|---|---|---|
| Total assets | $ 1,865,523 | $ 1,916,209 | $ 1,988,624 | $ 307,684 |
| Working capital | $ 637,052 | $ 72,264 | $ 868,842 | $ 278,346 |
| Net loss for the period | $ 16,124 | $ 20,738 | $ 117,329 | $ 12,323 |
| Loss per share | $ 0.00 | $ 0.02 | $ 0.02 | $ 0.00 |

GTA reported no discontinued operations and declared no dividends for any period presented.

**Results of Operations**

*General and Administrative*

<u>Three months ended December 31, 2011 and 2010</u>

The Company incurred a net loss of $85,811 for the three months ended December 31, 2011, compared to a net loss of $54,484 for the three months ended December 31, 2010. The increase in costs is due to the company's completion of the qualifying transaction in 2010 and transitioning to a junior exploration company. Details of the more significant changes over last year are as follows:

- An increase in management and administration to $92,781 (2010 - $51,055),
- An increase in professional fee expenses to $10,978 (2010 - $2,000),
- An increase in transfer agent and regulatory fees to $6,281 (2010 - $3,909), and
- An increase deferred tax benefit to $24,874 (2010 - $2,480).

The increases in general and administrative and other expenses have increased due to the Company's transition from being a CPC to an active junior mineral exploration company.

As at December 31, 2011, the Company has cash and cash equivalents of $186,489 (2010 - $639,516), HST receivable of $65,365 (2010 - $31,415), prepaid expenses of $13,360 (2010 - $7,585), accounts payable and accrued liabilities of $107,103 (2010 - $41,464), and liability for flow-through shares of $8,333 (2010 - $38,560) for total working capital of $149,778 (2010 - $637,052).

**Liquidity and Capital Resources**

This section should be read in conjunction with the unaudited condensed interim statements of financial position for the nine months ended December 31, 2011, and the corresponding notes thereto.

The Company has total assets of $1,936,509 (2010 - $1,865,523). The primary assets of the Company are cash and cash equivalents of $186,489 (2010 - $639,516), HST receivable of $65,365 (2010 - $31,415), prepaid expenses of $13,360 (2010 - $7,585), and mineral properties and deferred exploration expenditures of $1,670,662 (2010 - $1,185,657). The Company has no long-term liabilities and has working capital of $149,778 (2010 - $637,052).

The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company currently has no revenue to finance its operations. It is therefore required to fund its activities through the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $895,839. As at December 31, 2011, the Company had cash and cash equivalents of $186,489 to settle current liabilities of $107,103.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. During the three months ended December 31, 2011, the Company completed a private placement financing for gross proceeds of $157,000. There can be no assurance that the Company will be successful in its future fund-raising activities.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

| | | December 31, 2011 | | March 31, 2011 | | Change |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ | 186,489 | $ | 535,436 | $ | (348,947) |
| Share capital | $ | 2,337,938 | $ | 2,020,366 | $ | 317,572 |
| Warrants | $ | 204,444 | $ | 179,149 | $ | 25,295 |
| Contributed surplus | $ | 174,530 | $ | 174,530 | $ | Nil |
| Deficit | $ | (895,839) | $ | (654,490) | $ | (241,349) |

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, including its flow-through obligations, and its exploration program.

**Mineral Property Interests**

*Auden Property*

The Auden Property is located between the towns of Hearst and Longlac, in northern Ontario and consists of claims covering a total of 25,000 hectares covering the eastern portion of a greenstone belt which lies approximately 110 kilometres to the east of the east end of the Beardmore-Geraldton greenstone belt. The Beardmore-Geraldton greenstone belt has historic gold production in excess of 4 million ounces. The claims are all located in the Porcupine Mining Division, in Auden Township, Pitopiko River Area, Feagan Lake Area, Fintry Township, Mulloy Township, Rowlandson Township, Shuel Township and Limestone Rapids.

Based on historical drilling, encouraging gold mineralization is known to occur on the Auden Property, and gold mineralization occurs in a variety of geological settings. Previous exploration on the Auden Property has identified gold mineralization associated with sulphide facies iron formation, silica facies iron formation, quartz – carbonate – tourmaline veining with mafic volcanics and volcanic tuffs, metasediments mineralized with pyrite and pyrrhotite and conglomerate mineralized with pyrite and pyrrhotite.

The Company continues to consult with the local First Nation membership with respect to exploration activity on the Auden Property.

The Company has been granted an extension of time, to a maximum of twelve months, to complete exploration work on twenty-one of its mining claims within the Auden Property.

On June 1, 2011 the Company entered into a property option agreement with respect to two mineral claims (30 claim units) contiguous to the Auden Property. The agreement includes a $3,000 cash payment for staking costs and the issuance of 250,000 common shares in five equal tranches over a twenty-four month period. These claims are adjacent to the existing claims comprising the Auden Property.

*Northshore Property*

The Northshore Property is located four kilometres south of the town of Schreiber in Ontario and approximately 70 kilometres west along the Trans-Canada Highway from the Hemlo gold deposit in the Schreiber-Hemlo greenstone belt. The property consists of two unpatented and 5 patented mineral claims (approximately 322.26 hectares) situated in the Township of Priske, Thunder Bay Mining Division, Ontario. Gold mineralization at Northshore is located in a series of sub-parallel shear zones which crosscut syenitic and quartz porphyry intrusions. Gold mineralization has been identified along several of these structures including the Afric Zone and in the former producing high-grade Northshore Gold Mine.

In 1992, Noranda Inc. calculated a near surface "geological resource" for the Afric Zone of 2.0 mT grading 2.20 g/t gold (135,000 ounces) based on the completion of 20 drill holes. **Note that these resources are historic in nature and not NI 43-101 compliant, having been prepared before the institution of NI 43-101. The Company is not treating these resources as a current resource under NI 43-101, and they are included here for completeness of disclosure only. Investors are further cautioned that that a qualified person has not yet completed sufficient work to be able to verify the historical resources, and therefore they should not be relied upon. "Geological resources" are considered conceptual in nature and there is no guarantee that historic "geological resources" will be able to be converted into NI 43-101 compliant resource categories or demonstrate economic viability.**

Certain of the mineral claims on the Northshore Property have attached patented surface rights which have also been acquired as part of the transaction with Balmoral Resources Ltd.

On July 27, 2011 the Company entered into an Option Agreement with Balmoral Resources Ltd. to acquire up to a 70% interest in the Northshore Property by making cash payments in aggregate totaling $150,000, issuing in favour of Balmoral 3,500,000 common shares and completing $5,500,000 in eligible work expenditures on the Property over a 5 year period. The Option Agreement received regulatory approval on September 26, 2011.

During the three month period ended December 31, 2011 the Company carried out exploration activities on the Northshore Property including a 12 hole, 1,038 metre diamond drill program and expects to receive assay results in the fourth quarter of fiscal 2012.

**Qualified Person and QA/QC**

Robert Duess P.Geo, a qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the disclosure regarding the Company's properties in this MD&A and has approved the disclosure herein. Mr. Duess is not independent of the Company, as he is the Vice President, Exploration and holds common shares and incentive stock options.

**Critical Accounting Estimates**

The preparation of the unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of sundry receivables that are included in the unaudited condensed interim statements of financial position;
- the recoverability of exploration and evaluation expenditures incurred on the Company's property interests; and
- the inputs used in accounting for share based payment transactions and in valuation of warrants included in financial assets at fair value through profit or loss.

**Changes in Accounting Policies**

*Impact of Adopting IFRS on the Company's Accounting Policies*

Effective the first quarter of 2012, the Company began preparing its financial statements in accordance with IFRS. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note 15, "Transition to International Financial Reporting Standards" to the unaudited condensed interim financial statements for the nine months ended December 31, 2011. This note also includes reconciliations of equity and comprehensive income (loss) for comparative periods reported under Canadian GAAP with amounts reported for those periods under IFRS.

The Company has changed certain accounting policies to be consistent with IFRS as it is expected to be effective or available on March 31, 2012, the Company's first annual IFRS reporting date. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption *of IFRS*.

**(a)** **Impairment of (non-financial) assets**

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value. The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There was no impact on the unaudited condensed interim financial statements.

**(b)** **Decommissioning Liabilities (Asset Retirement Obligations)**

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions. The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the unaudited condensed interim financial statements.

**(c) Flow-through shares**

On transition to IFRS, the Company elected to follow US GAAP whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the market value of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then recognized in operations in the period of renunciation.

Previously, the Company's Canadian GAAP policy was to adopt the recommendations of EIC 146 with respect to the accounting for flow-through shares. This resulted in the Company reducing the net proceeds of the flow-through share issuance by the future tax liability of the Company resulting from the renunciation of the exploration and development expenditures in favour of the flow-through share subscribers.

**(d) Share-based payments**

Under IFRS, the fair value of the share options is measured at the grant date and recognized over the period during which the options vest. The fair value of share options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in reserves. Previously, under Canadian GAAP, the share-based compensation cost for officers, directors and employees is measured at fair value at the date of grant and is either expensed or capitalized to mineral exploration properties over the vesting period using straight-line method, with an offsetting credit to contributed surplus.

(**e**) **Income Taxes**

Under Canadian GAAP , in the case of an asset that is acquired, other than in a business combination, and the tax basis of that asset is less than its cost, deferred income taxes are recognized at the time of acquisition and the cost of those deferred taxes is added to the cost of the asset. IFRS does not allow the recognition of a deferred tax liability if the asset is not recognized as part of a business combination.

*Impact of Adopting IFRS on the Company's Business*

The adoption of IFRS has resulted in some changes to the Company's accounting systems and business processes. However, the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS. The Company's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies. The Board of Directors and Audit Committee have been regularly updated throughout the Company's IFRS transition process, and are aware of the key aspects of IFRS affecting the Company.

*New accounting standards and interpretations*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2011. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company:

(i) IFRS 9 Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

(ii) IFRS 10 'Consolidated Financial Statements' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

(iii) IFRS 11 Joint arrangements ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 Interests in Joint ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

(iv) IFRS 12 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

(v) IFRS 13 'Fair Value Measurement' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

**Financial Instruments**

*Financial risk*

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

**(a) Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with a Canadian Schedule A bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of December 31, 2011. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2011, the Company had cash of $186,489 (March 31, 2011 - $535,436 and April 1, 2010 - $239,582) to settle current liabilities of $107,103 (March 31, 2011 - $79,455 and April 1, 2010 - $29,338). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

**(c) Market risk**

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

(i) Interest rate risk

Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported net income (loss) and comprehensive income (loss) for the three months ended December 31, 2011.

(ii) Foreign currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(iii) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of December 31, 2011, the Company was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

**Related Party Transactions**

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

GTA entered into the following transactions with related parties:

| | | Three months ended December 31, 2011 | | Three months ended December 31, 2010 |
|---|---|---|---|---|
| Maplegrow Capital Inc.(i) | $ | 18,000 | $ | 18,000 |
| Brant Capital Partners Inc.(ii) | $ | 18,000 | $ | 18,000 |
| Duess Geological Services Inc. (iii) | $ | 35,050 | $ | 19,500 |
| Brant Capital Partners Inc. (iv) | $ | 6,600 | $ | 6,600 |

(i) The Chief Executive Officer ("CEO") services were provided by a company controlled by the CEO.

(ii) The Chief Financial Officer ("CFO") of GTA is the President of Brant Capital Partners Inc. Fees relate to CFO and Corporate Secretary functions performed.

(iii) The services of the Vice President Exploration were provided by a company controlled by him. The amounts relate to mineral properties and deferred costs.

(iv) The Company paid administrative expenses to a company controlled by the CFO of GTA.

**Off-Balance-Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

**Proposed Transactions**

As of the date of this MD&A there are no proposed transactions, not otherwise reported herein, where the Board of Directors or senior management believes that confirmation of the decision by the board is probable or with which the board and senior management have decided to proceed.

**Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash, cash equivalents, sundry receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## Outstanding Share Data

As of the date of this MD&A, the Company has 14,591,025 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 1,117,000 common shares expiring at various date between June 2011 and June 2015 and exercisable at $0.20 per common share and, (b) share purchase warrants to purchase an aggregate of 3,375,000 common shares expiring June 11, 2012 exercisable at $0.30 per common share and share purchase warrant to purchase an aggregate of 315,332 common shares expiring December 23, 2012 exercisable at $0.35 per common share. For additional details of share data, please refer to Notes 9, 10 and 11 of the December 31, 2011 unaudited condensed interim financial statements.

In addition, there are 150,000 fully paid options outstanding to acquire common shares of the Company which are exercisable at 50,000 options every six months commencing June 6, 2012.

## Capital Management

The Company's objectives when managing capital are as follows:

(i) To safeguard the Company's ability to continue as a going concern;

(ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;

(iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirements. The capital structure of the Company is comprised of shareholders' equity which includes share capital, warrants, contributed surplus and deficit. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilized annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

## Risks and Uncertainties

### Liquidity and Additional Financing

The Company has limited financial resources and no current revenues. There can be no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Resulting Issuer to reduce or terminate its operations.

Regulatory Requirements

Even if the Company's properties are proven to host economic reserves of gold or other precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, if any, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of diamond, precious and non-precious metals, any of which could result in work stoppages, damage to the property, and possible environmental damage. Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are involved in mineral exploration, development and operation. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the financial position of the Company.

The Company will continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to determine if mineralization reserves exist through drilling, to develop processes to extract the precious and non-precious metals from the mineralization and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis or at all. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of mineralization mined, fluctuations in markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access to any properties in which the Company has or may have an interest may have an adverse effect on profitability in that infrastructure costs will be higher.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and cause insolvency and/or a decline in the value of the securities of the Company.

No Assurance of Title to Properties

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licences and permits to carry on with activities which it is currently conducting under applicable laws and regulations and the Company believes it is currently complying in all material respects with the terms of such laws and regulations. However, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Competition

The mineral exploitation industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals 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 losing its invested capital.

Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, platinum or any other minerals discovered. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods.

The effect of these factors on the price of gold, base and precious metals and therefore the economic viability of any of the Company's projects cannot be accurately predicted.

Reliance on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

**Commitments and Contingencies**

The Company is committed to spending approximately $50,000 associated with the flow-through offering that was completed in December 2011. The Company intends to fulfill all flow through commitments by December 31, 2012. The Company has fulfilled its obligations with respect to the flow-through share offering of June 2010.

**Subsequent Events**

(1) Subsequent to the period end 1,328.399 warrants were exercised resulting in the issue of 1,328,399 common shares in exchange for $ 399,023 in cash.

(2) Subsequent to the period end 647,000 options were exercised resulting in the issue of 647,000 common shares in exchange for $129,400 in cash.

(3) Subsequent to the period end the Company entered into an agreement with a syndicate led by Laurentian Bank Securities Inc. under which the Company will offer on a private placement basis up to $5,000,000 in common share units and flow-through shares. The Company has also granted the syndicate an overallotment option of $1,000,000 bringing potential gross proceeds of the financing to $6,000,000.

The terms of the financing include up to $3,000,000 in common share units at a price of $0.90 per unit with each unit consisting of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable into one common share at a price of $1.25 for a period of 18 months from the date of closing of the financing transaction. In addition the proposed financing includes up to $3,000,000 of flow-through common shares at a price of $1.20 per flow-through share.

The Company will pay the syndicate a cash fee of 7% of the gross amount raised under the financing and will issue broker warrants in the amount of 7% of the combined number of units and flow-through shares issued under the financing.

The financing is anticipated to close on or before March 16, 2012.

**Internal Control over Financial Reporting**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**Additional Information**

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