GTA RESOURCES AND MINING INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of GTA Resources and Mining Inc. ("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, 2012. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102"). This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended March 31, 2012 and 2011, as well as the unaudited condensed interim financial statements for the nine months ended December 31, 2012, 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.

The unaudited condensed interim financial statements for the nine months ended December 31, 2012, 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.

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 27, 2013.

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

Financing

The Company did not complete any financings during the nine months ended December 31, 2012.

Selected Quarterly Financial Information

The following table sets out the selected financial information for the three month periods ended:

		Dec 31, 2012		Sep 30, 2012		Jun 30, 2012		Mar 31, 2012
Total assets	$	8,088,850	$	8,496,542	$	8,371,542	$	8,416,879
Working capital	$	3,980,905	$	4,441,604	$	5,081,522	$	5,487,091
Net loss for the period	$	163,650	$	81,393	$	80,250	$	1,300,924
Loss per share	$	0.01	$	0.00	$	0.00	$	0.12

		Dec 30, 2011		Sep 30, 2011		Jun 30, 2011		Mar 31, 2010
Total assets	$	1,936,509	$	1,870,887	$	1,736,849	$	1,799,010
Working capital	$	149,778	$	80,392	$	426,164	$	538,885
Net loss for the period	$	85,811	$	92,248	$	63,290	$	64,104
Loss per share	$	0.01	$	0.01	$	0.00	$	0.01

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

Results of Operations

Nine months ended December 31, 2012 compared to nine months ended December 31, 2011

General and Administrative

The Company incurred a net loss of $325,294 for the nine months ended December 31, 2012, compared to a net loss of $241,349 for the nine months ended December 31, 2011. Details of the more significant changes from 2011 to 2012 are as follows:

- An increase in general and administration to $462,202 (2011 - $213,419). The primary increases included increased management remuneration of $84,500, director's fees of $18,250, increase in promotional and advertising costs of $32,500, increase in mining and trade shows of $30,000, increase in admin and office expenses of $20,000, increase in meals of $12,000, increase in insurance of $7,000, and increase in amounts for investor communications of $44,000;
- An increase in share-based compensation of $140,614 (2011 - nil) resulting from the granting of 425,000 options to Directors, Officers and IR Consultants;
- An increase in professional fee expenses to $56,232 (2011 - $38,230) as a result of an increase in legal fees resulting from a dissident shareholder action; and
- An increase in deferred tax benefit to $367,794 (2011 - $35,320). The increase reflects increased exploration activity using flow-through funds on the Company's Northshore property during the period.

As at December 31, 2012, the Company has cash and cash equivalents of $4,336,990 (2011 - $186,489), including short term deposits of $4,260,411 (2011 - nil), sundry receivables of $73,423 (2011 - $65,365), prepaid expenses of $16,890 (2011 - $12,059), accounts payable and accrued liabilities of $169,976 (2011 - $109,269), and liability for flow-through shares of $276,421 (2011 - $33,207) for total working capital of $3,980,906 (2011 - $121,437).

Three months ended December 31, 2012 compared to three months ended December 31, 2011

The Company incurred a net loss of $163,650 for the three months ended December 31, 2012, compared to a net loss of $85,811 for the three months ended December 31, 2011. Details of the more significant changes from 2011 to 2012 are as follows:

- An increase in general and administration to $151,591 (2011 - $92,781). The primary increases included increased management remuneration of $36,500, director's fees of $18,250, and increase in amounts for investor communications of $4,000;
- An increase in share-based compensation of $54,868 (2011 - nil) resulting from the granting of 200,000 options to Directors, Officers and IR Consultants;
- An increase in professional fee expenses to $30,743 (2011 - $10,978) as a result of an increase in legal fees resulting from a dissident shareholder action; and
- An increase in deferred tax benefit to $85,589 (2011 - $24,874). The increase reflects increased exploration activity using flow-through funds on the Company's Northshore property during the period.

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, 2012, and the corresponding notes thereto.

The Company has total assets of $8,088,850 (2011 - $1,936,509). The primary assets of the Company are cash and cash equivalents of $4,336,990 (2011 - $186,489), including short term deposits of $4,260,411 (2011 - nil), sundry receivables of $73,423 (2011 - $65,365), prepaid expenses of $16,890 (2011 - $12,059), and mineral properties and deferred exploration expenditures of $3,640,006 (2011 - $1,670,662). The Company has no long-term liabilities and has working capital of $3,980,906 (2011 - $121,437).

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 $2,520,497. As at December 31, 2012, the Company had cash and cash equivalents of $4,336,990 to settle current liabilities of $446,397.

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 nine months ended December 31, 2012, the Company did not complete any financings. 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, 2012		**March 31, 2012**		**Change**
Cash and cash equivalents	$	4,336,990	$	6,258,609	$	(1,921,619)
Share capital	$	8,605,550	$	8,213,072	$	392,478
Contributed surplus	$	1,557,440	$	1,452,724	$	104,716

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 north of Highway 11 between the towns of Hearst and Longlac, in northern Ontario. The Auden Property consists of 1,596 claim units covering approximately 25,000 hectares and the property covers virtually an entire Archean aged greenstone belt. This belt has been interpreted to be the eastern extension of the Beardmore-Geraldton greenstone belt, which lies approximately 110 kilometres to the east. The Beardmore-Geraldton greenstone belt has historic gold production in excess of 4 million ounces. The Auden 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 several 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 occurs within a highly fractured series of altered felsic intrusive rocks. High grade gold mineralization has been identified along several vein systems on the property which include the Audney, Caly and former producing Northshore vein systems. The Audney and Caly veins are part of a broader zone of gold mineralization referred to as the Afric Zone which encompasses several high-grade veins and broad zones of strongly anomalous gold values located between them. The Afric Zone (and associated high grade quartz veins) is the current focus of exploration on the Property.

On July 27, 2011 the Company entered into an Option Agreement with Balmoral Resources Ltd. ("Balmoral") to acquire up to a 70% interest in the Northshore Property by making cash payments in aggregate totaling $150,000, issuing 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 27, 2011.

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.

The Company has carried out exploration activities on the Northshore Property including a 12 hole 1038 metre Phase 1 diamond drill program, an 8 hole 2431 metre Phase 2 diamond drilling program and a 15 hole 4766 metre Phase 3 diamond drilling program.

The Company announced results from the Phase 1 diamond drilling program on February 14, 2012 and the results of the Phase 2 diamond drilling program on April 18, 2102 and July 11, 2012, and reported that broad intervals of gold mineralization were encountered in holes testing the Afric Zone. Drilling to date has confirmed the continuity of these high-grade gold-bearing vein systems along strike and to depth. Drilling also intersected a number of additional high-grade veins and demonstrated much better than expected continuity of the broad Afric Gold System which hosts these high-grade gold-bearing vein structures.

On November 21, 2012 the Company announced results from the first seven holes of the Phase 3 diamond drilling program and reported that all holes intersected wide sections of gold mineralization which further confirm the potential of the Northshore Property to host both a large scale gold porphyry system and discrete high grade gold zones.

On January 8, 2013 the Company announced results from the last eight holes of the Phase 3 diamond drilling program and reported that the intercepts expanded the Afric gold zone on the Northshore property along strike to the northeast and at depth, and that all holes intersected significant gold mineralization hosted within a strongly altered felsic porphyry package.

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

New accounting standards and interpretations

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after April 1, 2012. 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") is a partial replacement of 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 April 1, 2015.

(ii) IFRS 10 Consolidated Financial Statements ("IFRS 10") requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.* The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

(iii) IFRS 11 Joint Arrangements ("IFRS 11") requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*. The Company is yet to assess the full impact of IFRS 11 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

(iv) IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") establishes disclosure requirements for interests in other entities, such as joint arrangements, associates special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The Company is yet to assess the full impact of IFRS 12 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

(v) IFRS 13 Fair Value Measurement ("IFRS 13") is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard no later than the accounting period beginning April 1, 2013.

(vi) IAS 28 Investments in Associates and Joint Ventures: IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures. Early application is permitted.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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, 2012. 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, 2012, the Company had cash and cash equivalents of $4,336,990 (2011 - $186,489) to settle current liabilities of $446,397 (2011 - $142,476). 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, 2012.

(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 September 30, 2012, 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).

The Company had the following transactions in the normal course of operations with related parties:

	Nine Months Ended December 31, 2012	Nine Months Ended December 31, 2011
Management fees (i)	$ 192,500	$ 108,000
Director's fees	$ 18,250	$ -
Mineral property-exploration expenditures (i)	$ 219,007	$ 74,050
Office rent and supplies (ii)	$ 39,062	$ 19,800

(i) The Company paid $12,500 (2011 - nil) in management fees to the President of the Company; the Company paid $90,000 (2011 - $54,000) in management fees to the Executive Vice-President of the Company; $90,000 (2011 - $54,000) to the CFO of the Company; and $219,007 (2011 - $74,050) in mineral property exploration consulting costs to the VP Exploration of the Company.

(ii) The Company paid $39,062 (2011 - $19,800) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.

Accounts payable and accrued liabilities include $76,521 (2011 - $35,994) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment

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

The Company is not a party to any proposed transactions.

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. The only credit risk identified by management is the risk related to the interest bearing promissory note received as partial payment of the loan receivable. The risk arises from the nature of the security of the promissory note. The fair value of these financial instruments approximates their carrying values.

Outstanding Share Data

As of the date of this MD&A, the Company has 25,431,855 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 2,455,000 common shares expiring at various dates between April 2014 and September 2017 and exercisable at prices from $0.20 to $1.05 per common share and, (b) share purchase warrants to purchase an aggregate of 1,754,166 common shares expiring September 12, 2013 and exercisable at $1.25 per common share. For additional details of share data, please refer to Notes 6, 7 and 8 of the December 31, 2012 unaudited condensed interim financial statements.

In addition, there are 100,000 fully paid options outstanding to acquire common shares of the Company which are exercisable at 50,000 options every six months ending June 6, 2013.

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.

Acquisition of Mineral Claims under Agreements

The agreements pursuant to which the Company has the right to acquire interests in a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does, presently, have the financial resources required to make all payments and complete all expenditure obligations under its various property acquisition agreements. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

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.

Dilution to the Company's Existing Shareholders

The Company may require additional equity financing be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

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.

Commitments and Contingencies

The Company is committed to spending approximately $1,105,686 associated with the flow-through offering that was completed in March 2012. The Company intends to fulfill all flow through commitments by December 31, 2013. The Company has fulfilled its obligations with respect to the flow-through share offering of June 2010 and December 2011.

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.

Subsequent Events

On January 10, 2013, the Company entered into an Option Agreement with Metals Creek Resources Corp. whereby the Company can earn a 51% to 70% interest in the 82 claim Squid East mining property in the Matson Creek area of Yukon Territory.

To earn an initial 51% interest, the Company must make cash payments of $60,000 over three years, issue a total of 2,000,000 common shares over three years, and incur exploration expenditures of $2,000,000 over three years. In order to earn an additional 19% interest, the Company must make additional cash payments of $210,000, issue an additional 400,000 common shares, and incur an additional $1,000,000 of exploration expenditures. There are no underlying royalty or other interests on the property.

Additional Information

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