BROOKEMONT CAPITAL INC.

For the six months ended January 31, 2012

Management's Discussion and Analysis

Date of Report: April 2, 2012

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance, business prospects and opportunities such as our intended work programs on our existing property interests, our ability to meet financial commitments and our ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this Management's Discussion and Analysis. These assumptions, which include management's current expectations, estimates and assumptions about our current property interests, the global economic environment, the market price and demand for mineral commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price for mineral commodities, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America and Tanzania regarding mineral exploration and mining, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Company Overview

Our company was incorporated under the provisions of the *Business Corporations Act* (British Columbia) on March 28, 2007. Our company was a Capital Pool Company under the TSX Venture Exchange Policy 2.4. The principle business of our company as a Capital Pool Company was to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction, as that term is defined in Policy 2.4. Our company's shares were listed and began trading on the TSX Venture Exchange on October 11, 2007 under the symbol "BKT.P".

On May 27, 2008, our company entered into a definitive purchase agreement with RockBridge Energy Inc. and Pure Oil & Gas Co. Ltd. in respect of a proposed Qualifying Transaction. Pursuant to the terms of the agreement, as amended on August 26, 2008, our company and RockBridge Energy agreed to each purchase a 50% interest in the petroleum and natural gas rights, tangible assets and miscellaneous interests, in connection with the Bantry and Pembina properties from Pure Oil & Gas.

The TSX Venture Exchange granted final approval for the Qualifying Transaction on September 5, 2008 and our company's shares resumed trading on the TSX Venture Exchange under the symbol "BKT" on September 8, 2008.

Following the closing of the agreement, our company ceased to be a Capital Pool Company and became classified as a Tier 2 oil and gas issuer under the policies of the TSX Venture Exchange, engaged in the exploration and development of prospective oil and gas properties.

During the year ended July 31, 2010, we entered into a letter agreement with an arm's length party to sell our interest in and to certain assets in connection with the Pembina and Bantry properties, including PNG rights, tangibles and wells for cash consideration of $575,000. This transaction received TSX Venture Exchange approval and the Pembina and Bantry properties have been sold.

At January 31, 2012, we had mineral property interests located in Canada and Tanzania. Our company's principal business activities now include acquiring and exploring mineral properties.

Pembina and Bantry Properties

We owned a 50% interest in the petroleum and natural gas rights, tangible assets and miscellaneous interests, in connection with the Bantry and Pembina properties.

During the year ended July 31, 2010, we sold our interests in and to certain assets in connection with Pembina and Bantry properties, including PNG rights, tangibles and wells, in consideration for proceeds of $575,000. Prior to the sale we recorded $23,458 in depletion expense and $17,278 in accretion expense related to the asset retirement obligation. Other deposits of $1,600 were forfeited resulting in a gain on sale of $1,039,960.

Ontario Lithium Claims and Yukon Quartz Claims

On August 20, 2009, we entered into a share exchange agreement (the "Agreement") with 0854508 B.C. Ltd., a private British Columbia company ("BC Co"), and the four shareholders of BC Co (the "Shareholders"). BC Co was the sole legal and beneficial owner of 96 mineral claims prospective for lithium covering an area of approximately 3,800 acres, located in Northern Ontario, and 93 load quartz mineral claims covering an area of approximately 4,836 acres, located in the Yukon Territory. Under the terms of the Agreement, we purchased all of the issued and outstanding common shares in the capital of BC Co from the Shareholders. Consideration was $150,000 in cash and the issuance of 5,000,000 common shares. We also issued 482,142 common shares to one finder in connection with the transaction. We allocated 30% of the acquisition costs to the Ontario Lithium Claims and 70% of the acquisition costs to the Yukon Quartz Claims. This transaction resulted in the acquisition of a subsidiary. During the year ended July 31, 2011, we acquired the assets of the subsidiary in the period and dissolved the subsidiary.

Ontario Lithium Claims
No work was conducted on the Ontario Lithium Claims and we were required to either spend $38,400 in exploration costs or pay $38,400 in annual rental income on the Ontario Lithium claims by June 26, 2011. During the year ended July 31, 2011, we decided not to make the payment and we allowed these claims to lapse. According, we wrote off $293,799 in acquisition costs to operations.

Yukon Quartz Claims
In August 2011 we continued operations on the Yukon gold prospect that included field work and sampling throughout the claim block. Through this work program we encountered a multi element anomalous area with spotty elevated Au-Ag-Cu values on the western side of the property. The general trend of the anomaly is southwest. The area does not have much previous work and more soil sampling, mapping and prospecting is warranted and we anticipate commencing this work in 2012.

As at January 31, 2012, we had spent a total of $30,687 in exploration expenditures on the Yukon Quartz Claims.

Quebec Rare Earth Claims

On June 2, 2010, we entered into an option agreement to acquire 31 contiguous rare earth mineral claims in Quebec with an arm's length vendor (the "Vendor"). We amended the agreement on May 25, 2011, whereby the Vendor waived the work commitment of $150,000 for the first year of the agreement and increased the work commitment from $400,000 to $550,000 for the fourth year of the agreement. In consideration, we are required to make cash payments, incur exploration costs, and issue common shares as follows:

	Cash	Common Shares	Exploration Costs
Upon Exchange approval (paid and issued)	$ 17,500	2,000,000	$ -
By June 17, 2012	-	-	150,000
By June 17, 2013	-	-	150,000
By June 17, 2014	-	-	550,000
	$ 17,500	2,000,000	$ 850,000

In addition, 195,000 common shares were issued as a finder’s fee.

In August 2011, we acquired an additional 4,600 contiguous acres for a cost of $4,360 to bring our total rare earth acreage to approximately 8,250 contiguous acres.

No work has been conducted on the Quebec Rare Earth claims to date, nor do we currently have sufficient funds to do so, and our focus is the Handeni Gold Prospect in Tanzania. We do intend to initiate exploration activities if we are able to obtain sufficient financing. While we have been successful in securing financings in the past, there is no assurance that we will be able to do so in the future, and/or that we will be able to raise sufficient funds to meet our work commitments for all of our properties. If we raise sufficient financing we expect to commence operations on this property in 2012 when the weather permits.

Handeni North, Tanzania

On September 3, 2010, we entered into a letter agreement with Sundance Gold Ltd. to acquire an 80% interest in a 63.4 square kilometre gold property located in the Handeni Region of Tanzania.

Subsequent to January 31, 2012, we amended the letter agreement with the Vendor. The Vendor agreed to waive the cash payment of US$350,000 due by March 21, 2012 and instead have the Company make four instalments of US$87,500 over a twelve-month period.

Consideration is cash payments, exploration costs and the issue of common shares as follows:

		Cash		Exploration Costs	Common Shares
Upon execution of the letter agreement (paid)	US$	75,000	US$	-	-
Upon closing date (issued and paid)		200,000		-	3,000,000
On or before February 21, 2012 (incurred)		-		350,000	-
On or before March 21, 2012 (shares issued)		-		-	3,000,000
On or before June 21, 2012		87,500		-	-
On or before September 21, 2012		87,500		-	-
On or before December 21, 2012		87,500		-	-
On or before February 21, 2013 (incurred)		-		500,000	-
On or before February 21, 2013		-		-	3,000,000
On or before March 21, 2013		87,500		-	-
	US$	625,000	US$	850,000	9,000,000

We will be able to acquire the remaining 20% interest by further payments of US$4,500,000 and the issuance of 3,000,000 common shares. This additional 20% interest will be subject to a 2% net smelter return and the foregoing payments for this interest may be made over a period of up to three years.

In February 2011 we paid a finder's fee to an arm's length party of $59,325 and we are due to pay a finder's fee of $71,875 in the second year following the closing date in connection with the transaction.

In January 2011, the first phase of the work program on our Handeni North Prospect commenced. This first phase consisted of line cutting, geological mapping, and setting up of IP and mag surveying. The soil samples were taken at 25 m intervals along 500 m spaced east west lines starting at the south end of the property. Three crews sampled and completed the geological mapping of the property.

In April 2011, we were informed by the operator that pits were dug and that detailed sampling had contined.

In late July 2011, through continued geological mapping and grid soil sampling, crews uncovered a 4.5-kilometre trend of gold-related arsenic geochem anomaly, with visible arsenopyrite in amphibloitic gneiss with quartz veining cutting across the property. Additionally, through this work, a 250 metre trench across this anomaly uncovered numerous quartz veins in the altered rock.

In December 2011, we were notified by the operator that the first phase of the drill program was underway on the 250m wide trench across the 4.5 km arsenic geochem soil sampling anomaly.

In January 2012, we were informed by the operator that the first four holes had been completed on the 2011/2012 drilling program.

The four drill holes intersected gold mineralization in amphibolite gneiss. These are the initial holes drilled in this region and have confirmed that the 4.5-kilometre arsenic gold geochem soil/coincident IP zone is associated with anomalous gold in the bedrock over the width of zone (between 200 to 250 metres) and there is increasing values at depth.

Drill holes HNAFD001, 003 and 004 were all drilled on one section covering the width of the zone.

HNAFD001 drilled on the north side of the zone intersected 119 m (0.0152 gram per tonne) from five m to 124 m which included some distinctive anomalous gold values zones.

HNAFD004 drilled in the central part of the zone intersected 137 m (0.022 g/t) from 14 m to 151 m which also included some distinctive anomalous gold values zones.

HNAFD003 drilled on the south side of the zone had anomalous gold over 105 m (0.018 g/t) from 15 m to 120 m with no significant individual zones.

The second hole HNAFD002 was completed 400 metres to the west and intersected anomalous gold over 177 m (0.034 g/t) with the main zones highlighted in the table.

Hole No.	From (m)	Interval To (m)	TW (m)	coefficient Au (g/t)
HNAFD001	5	124	119	0.0152
HNAFD002			117	0.034
Incl	51	54	3	0.15

	53	54	1	0.33
	96	109	13	0.068
	96	104	7	0.11
	97	98	1	0.35
	115	120	5	0.158
	115	117	2	0.325
	163	166	3	0.17
HNAFD003	15	120	105	0.018
HNAFD004	14	151	137	0.022

As at January 31, 2012, we had spent total of $1,036,518 in exploration expenditures on this property.

The Handeni Gold Prospect is our company's main focus and we intend to raise funds in order to meet our acquisition commitments. We have already advanced funds to meet our entire exploration requirements until the end of the agreement which is February 21, 2013. Management is currently evaluating all the data gathered to date to determine the best strategy going forward.

British Columbia Cariboo Gold Prospect

We entered into a property purchase agreement dated December 31, 2010 with 0895459 B.C. Ltd., a private British Columbia company, to acquire a 100% interest in 15 mineral claims covering an area of approximately 7,290 hectares, located within the Cariboo Gold Region, British Columbia. In consideration, we paid $15,000 and issued 3,000,000 common shares. In addition, we also issued 228,260 common shares as finder’s fee.

During the six months ended January 31, 2012, we decided not to renew the claims once they expired in October 2011 and the prior acquisition costs of $1,161,182 were written off as of July 31, 2011.

British Columbia Stewart Gold Prospect

On October 2, 2009, we entered into an option agreement with 0862799 B.C. Ltd., a private British Columbia company, to acquire a 100% interest in six contiguous claim blocks consisting of 2,706 hectares in the Stewart Mining Region of British Columbia. The property is subject to a 3% net smelter royalty, 1% of which may be purchased by us for $1,000,000. In consideration, we were required to make cash payments totaling $50,000 (paid), incur $500,000 in exploration costs over two years and issue 2,400,000 common shares, which have been issued.

On November 3, 2010, we amended the option agreement with 0862799 B.C. Ltd. We issued 1,000,000 common shares and the vendor waived the work commitment of $250,000 for the first year of the option agreement.

Consideration was cash payments, exploration costs and the issue of common shares as follows:

	Cash	Exploration Costs	Common Shares
Upon Exchange approval (paid and issued)	$ 25,000	$ -	1,200,000
By November 3, 2010 (paid and issued)	25,000	-	1,200,000
By February 3, 2011 (issued)	-	-	1,000,000
By November 3, 2011	-	250,000	-
	$ 50,000	$ 250,000	3,400,000

During the six months ended January 31, 2012, we decided not to renew the claims once they expired in October 2011, and the prior acquisition costs of $381,000 and exploration costs of $13,422 were written off as of July 31, 2011.

Overall Performance

We are a mineral exploration company engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. We do not expect to generate any revenues in the foreseeable future or until a mineable reserve is defined and economically recoverable. We expect our company to continue to incur expenses as our company works to further explore and develop its mineral properties.

Our company has conducted limited exploration on its Handeni Gold Prospect and no work on its Quebec Rare Earth claims to date, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of precious and base metals and other minerals, and the global economic climate. Our company is in the process of exploring its Handeni Gold Prospect and has not yet determined whether the property contains reserves that are economically recoverable. Our company's future performance is largely tied to the outcome of future exploration and the overall financial markets. The recoverability of minerals from our company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of our company to obtain necessary financing to continue to explore and develop its properties and upon future profitable production. Uncertainty in credit markets has led to increased difficulties in raising and borrowing funds. As a result, our company may have difficulty raising equity financing for the purposes of exploration and development of our company's properties, without diluting the interests of current shareholders of our company.

Our company did not generate any revenue in the six months ended January 31, 2012 or in the six months ended January 31, 2011. Our company's net loss and comprehensive loss increased from $550,724 for the six months ended January 31, 2011 to $765,601 for the six months ended January 31, 2012, mainly due to increased expenses arising from share-based payments and increased consulting fees. Our company's cash and cash equivalents increased from $11,921 as at July 31, 2011 to $187,964 as at January 31, 2012, and its working capital increased from a deficiency of $276,431 as at July 31, 2011 to working capital of $156,447 as at January 31, 2012.

Our company's current assets have increased from $28,233 as at July 31, 2011 to $269,375 at January 31, 2012, mainly due to increased cash and cash equivalents, as well as increases in receivables and prepaid expenses and deposits. Our company's current liabilities have decreased from $304,664 as at July 31, 2011 to $112,928 as at January 31, 2012, mainly due to repayment of loans advanced by three arm's length lenders and reduced accounts payable and accrued liabilities. The value ascribed to our company's exploration and evaluation assets have increased from $2,903,359 as at July 31, 2011 to $3,714,260 at January 31, 2012, mainly due to the increased value ascribed to the Handeni Gold Prospect which was $2,021,745 as at July 31, 2011 compared to $2,803,680 as at January 31, 2012.

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the eight most recently completed interim quarters:

	2012 Second IFRS	2012 First IFRS	2011 Fourth IFRS	2011 Third IFRS	2011 Second IFRS	2011 First IFRS	2010 Fourth Canadian GAAP	2010 Third Canadian GAAP
Revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
General and administrative expenses	$(382,647)	$(382,646)	$(241,916)	$(344,338)	$(381,470)	$(168,380)	$(170,197)	$(131,458)
Loss before other items	$(382,647)	$(382,646)	$(241,916)	$(344,338)	$(381,470)	$(168,380)	$(170,197)	$(131,458)
Loss per share (Basic and diluted)	$(0.007)	$(0.008)	$(0.006)	$(0.009)	$(0.011)	$(0.006)	$(0.007)	$(0.005)
Other items:								
Interest income	$175	$290	$345	$9	$891	$465	$255	$324
Interest expense	$Nil	$(773)	$(2,375)	$(2,683)	$(2,230)	$Nil	$Nil	$Nil
Gain on sale of oil and gas properties	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Write-down of mineral properties	$Nil	$Nil	$(1,555,604)	$(293,799)	$Nil	$Nil	$Nil	$Nil
Future income tax recovery	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net income (loss) and comprehensive income (loss)	$(382,472)	$(383,129)	$(1,799,550)	$(640,811)	$(382,809)	$(167,915)	$(169,942)	$(131,134)
Basic and diluted income (loss) per share	$(0.007)	$(0.008)	$(0.042)	$(0.017)	$(0.011)	$(0.006)	$(0.007)	$(0.005)

Summary of Results During Prior Eight Quarters

Net loss increased from the third to fourth quarter of 2010 mainly due to an increase in stock based compensation and professional fees. Net loss was relatively stable from the fourth quarter of 2010 to the first quarter of 2011, as it only decreased by $2,027. Net loss increased by $214,894 from the first to second quarter of 2011 mainly due to an increase in finance fees of $149,423, consulting fees of $30,590 and stock-based compensation of $31,788. Net loss increased from the second to third quarter of 2011 due to a write down of mineral properties of $387,789 in the third quarter and an increase in stock-based compensation from $65,895 in the second quarter to $160,095 in the third quarter. These were mitigated by a drop in finance fees of $149,423 to $Nil from the second to third quarter. Net loss increased substantially from the third quarter to the fourth quarter primarily due to the write down of mineral properties of $1,555,604 in the fourth quarter versus $293,799 in the third quarter. Net loss decreased by $1,416,421 from the fourth quarter of 2011 to the first quarter of 2012, mainly due to the write-down of exploration and evaluation assets of $1,555,604 offset by an increase in consulting fees of $31,329 and an increase in share-based payments of $100,219. Net loss was relatively stable from the first to second quarter of 2012 as the increase in travel and promotion expenses were offset by the decrease in professional fees and share-based payments.

Results of Operations

Three Months Ended January 31, 2012 Compared to the Three Months Ended January 31, 2011

We have not generated any revenues to date. Our company's net loss and comprehensive loss were relatively stable from $382,809 for the three months ended January 31, 2011 to $382,472 for the three months ended January 31, 2012. Expenses were also relatively stable from $381,470 for the three months ended January 31, 2011 compared to $382,647 for the three months ended January 31, 2012. There was an increase of $98,739 in share-based payments, which was off-set by a decrease of $149,423 in finance fees.

Six months ended January 31, 2012 Compared to the Six months ended January 31, 2011

We have not generated any revenues to date. Our company's net loss and comprehensive loss increased from $550,724 for the six months ended January 31, 2011 to $765,601 for the six months ended January 31, 2012, mainly due to increased expenses arising from share-based payments and increased consulting fees. Expenses increased from $549,850 for the six months ended January 31, 2011 compared to $765,293 for the six months ended January 31, 2012. The significant increase in expenses of $215,443 was due partly to increases in consulting fees of $73,113, in share-based payments of $245,831, in professional fees of $22,972 and in travel and promotion of $27,374 from the six months ended January 31, 2011 to the six months ended January 31, 2012.

Liquidity and Capital Resources

At July 31, 2011, we had $11,921 in cash and cash equivalents and a working capital deficiency of $276,431 as compared to cash and cash equivalents of $187,964 and a working capital of $156,447 at January 31, 2012.

Our company's current assets have increased from $28,233 as at July 31, 2011 to $269,375 mainly due to an increase in cash and cash equivalents, as well as increases in receivables and prepaid expenses and deposits. Our company's current liabilities have decreased from $304,664 as at July 31, 2011 to $112,928 as at January 31, 2012, mainly due to the repayment of loans advanced by three arm's length lenders as well as reduced accounts payable and accrued liabilities. The value ascribed to our company's exploration and evaluation assets have increased from $2,903,359 as at July 31, 2011 to $3,714,260 as at January 31, 2012, mainly due to the increased value ascribed to the

Handeni Gold Prospect which was $2,021,745 as at July 31, 2011 compared to $2,803,680 as at January 31, 2012.

As at January 31, 2012, our company had a flow-through share premium liability of $17,500 compared to Nil at July 31, 2011.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further long-term financing, successful exploration of our property interests, the identification of reserves sufficient enough to warrant development, successful development of our property interests and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. During the year ended July 31, 2011, three arm's length lenders made unsecured loans to the Company of $525,000 bearing 5% interest per annum and due on demand ($175,000 from each lender). As consideration, our company issued 807,692 common shares (269,231 to each lender) valued at $149,423 as finance fees. As at January 31, 2012, all amounts owing under the loan had been repaid in full.

Due to the uncertainty of our ability to meet our current operating and capital expenses, in the notes to our audited financial statements for the period ended July 31, 2011, our independent auditors included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern.

Capital Resources

As of the date of this Report our company has commitments for capital expenditures until July 31, 2012 as follows:

(a) We are required to pay $6,316 in office rent until July 31, 2012;
(b) We are required to spend $150,000 in exploration costs on the Quebec Rare Earth prospect by June 17, 2012; and
(c) We are required to pay US$87,500 in acquisition costs to Sundance Gold Ltd. by June 21, 2012 pursuant to our amended agreement in respect of the Handeni Gold Prospect in Tanzania.

Operating Activities

During the six months ended January 31, 2012 and 2011, operating activities used cash of $516,913 and $147,010, respectively. The use of cash for the six months ended January 31, 2012 was mainly attributable to our net loss for the period of $765,601 and other items, offset mainly by share-based payments of $345,833. The use of cash for the six months ended January 31, 2011 was mainly attributable to our net loss for the period of $550,724 and other items, offset mainly by share-based payments of $100,002, finance fees of $149,423, and accounts payable and accrued liabilities of $179,087.

Investing Activities

During the six months ended January 31, 2012 and 2011, we used $808,935 and $315,977 in investing activities, due to investments in mineral properties.

Financing Activities

During the six months ended January 31, 2012, $1,501,891 was provided to us by financing activities due to proceeds from the issuance of share capital, off-set by $160,000 in repayment of loans, $68,961 in share issue costs and another item. During the six months ended January 31, 2011, $780,583 was provided by financing activities. The provision of cash of $780,583 was due to $545,583 in proceeds from the issuance of share capital and $235,000 from proceeds from loans.

Changes in Accounting Policies including Initial Adoption

Effective the fiscal year beginning August 1, 2011, we adopted IFRS for publicly accountable enterprises as required by the Accounting Standards Board of Canada and the Canadian Securities Administrators, and will report interim and annual periods beginning on August 1, 2011 and comparative periods, as applicable, under IFRS. Our company's transition date to IFRS was August 1, 2010, and therefore the comparative periods for the periods between that date and July 31, 2011 are restated to IFRS. The financial information presented in this MD&A for periods prior to August 1, 2010 has not been restated to IFRS.

Our IFRS accounting policies presented in Note 3 of the financial statements have been applied in preparing these condensed consolidated interim financial statements for the period ended January 31, 2012, the comparative information and the opening statement of financial position at the date of transition.

We have applied IFRS 1 *First-time Adoption of International Financial Reporting Standards* in preparing these first IFRS condensed consolidated interim financial statements. The effects of the transition to IFRS on equity, comprehensive income and reported cash flows are presented in this section.

i) First-time adoption exemptions and exceptions applied

The IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

Mandatory Exceptions

Estimates

The estimates previously made by us under pre-changeover Canadian GAAP were not revised for the application under IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result, we have not used hindsight to revise estimates.

Optional Exemptions

Share-based Payment Transactions

We have elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date.

ii) Reconciliations of pre-changeover Canadian GAAP equity and comprehensive income to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position and statements of comprehensive loss as shown below have resulted in reclassifications of various amounts on the statements of cash flows, however, as there have been no adjustments to net cash flows, no reconciliation of cash flows has been prepared.

The August 1, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	Canadian GAAP August 1, 2010	Effect of transition to IFRS	IFRS August 1, 2010
ASSETS			
Current assets			
Cash and cash equivalents	$ 274,976	$ -	$ 274,976
Receivables	2,079	-	2,079
Prepaid expenses and deposits	333	-	333
Total current assets	277,388	-	277,388
Non-current assets			
Equipment	4,599	-	4,599
Exploration and evaluation assets (a)	1,732,526	(313,300)	1,419,226
Total assets	$ 2,014,513	$ (313,300)	$ 1,701,213
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 53,552	$ -	$ 53,552
Deferred income tax liability (a)	313,300	(313,300)	-
Total liabilities	366,852	(313,300)	53,552
Equity			
Share capital	3,350,847	-	3,350,847
Reserves	400,831	-	400,831
Accumulated deficit	(2,104,017)	-	(2,104,017)
Total shareholders’ equity	1,647,661	-	1,647,661
Total liabilities and shareholders’ equity	$ 2,014,513	$ (313,300)	$ 1,701,213

The January 31, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	Canadian GAAP January 31, 2011	Effect of transition to IFRS	IFRS January 31, 2011
ASSETS			
Current assets			
Cash and cash equivalents	$ 592,572	$ -	$ 592,572
Receivables	22,479	-	22,479
Prepaid expenses and deposits	7,421	-	7,421
Total current assets	622,472	-	622,472
Non-current assets			
Equipment	4,139	-	4,139
Exploration and evaluation assets (a)	4,063,049	(313,300)	3,749,749
Total assets	$ 4,689,660	$ (313,300)	$ 4,376,360
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 386,153	$ -	$ 386,153
Interest payable	2,230	-	2,230
Loans payable	235,000	-	235,000
Total current liabilities	623,383	-	623,383
Future income tax liabilities (a)	313,300	(313,300)	-
Total liabilities	936,683	(313,300)	623,383
Equity			
Share capital	6,146,436	-	6,146,436
Reserves	261,282	-	261,282
Accumulated deficit	(2,654,741)	-	(2,654,741)
Total shareholders' equity	3,752,977	-	3,752,977
Total liabilities and shareholders' equity	$ 4,689,660	$ (313,300)	$ 4,376,360

The July 31, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	Canadian GAAP July 31, 2011	Effect of transition to IFRS	IFRS July 31, 2011
ASSETS			
Current assets			
Cash and cash equivalents	$ 11,921	$ -	$ 11,921
Receivables	14,550	-	14,550
Prepaid expenses and deposits	1,762	-	1,762
Total current assets	28,233	-	28,233
Non-current assets			
Equipment	4,068	-	4,068
Rent deposit	6,475	-	6,475
Exploration and evaluation assets ((b) and (c))	3,122,669	(219,310)	2,903,359
Total assets	$ 3,161,445	$ (219,310)	$ 2,942,135
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 142,289	$ -	$ 142,289
Interest payable	2,375	-	2,375
Loans payable	160,000	-	160,000
Total liabilities	304,664	-	304,664
Equity			
Share capital	7,271,043	-	7,271,043
Reserves	461,530	-	461,530
Accumulated deficit ((b) and (c))	(4,875,792)	(219,310)	(5,095,102)
Total shareholders' equity	2,856,781	(219,310)	2,637,471
Total liabilities and shareholders' equity	$ 3,161,445	$ (219,310)	$ 2,942,135

The Canadian GAAP statement of comprehensive loss for the year ended July 31, 2011 has been reconciled to IFRS as follows:

	Year ended July 31, 2011		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses			
Bank charges	$ 696	$ -	$ 696
Consulting	315,304	-	315,304
Depreciation	963	-	963
Finance fees	149,423	-	149,423
Management and directors' fees	144,504	-	144,504
Office and miscellaneous	35,518	-	35,518
Professional fees	62,685	-	62,685
Shareholder information	27,891	-	27,891
Share-based payments	341,077	-	341,077
Transfer agent and filing fees	31,807	-	31,807
Travel and promotion	26,236	-	26,236
	(1,136,104)	-	(1,136,104)
Other items			
Interest income	1,710	-	1,710
Interest expense	(7,288)	-	(7,288)
Write-down of mineral properties ((b) and (c))	(1,943,393)	93,990	(1,849,403)
	(1,948,971)	93,990	(1,854,981)
Loss before income tax provision	(3,085,075)	93,990	(2,991,085)
Deferred income tax recovery ((b) and (c))	313,300	(313,300)	-
Net loss and comprehensive loss	$ (2,771,775)	$ (219,310)	$ (2,991,085)

(a) Under Canadian GAAP, we recognized a $313,300 deferred tax liability and a corresponding bump up to the carrying value of the Yukon Quartz and Ontario Lithium properties upon initial recognition at the time of acquisition of our wholly owned subsidiary, 0854508 BC Ltd. ("BC CO"). We allocated 30% of the bump up ($93,990) to the Ontario Lithium claims and 70% of the bump up ($219,310) to the Yukon Quartz claims. Under IFRS the acquisition of BC Co did not meet the criteria for a business combination and therefore the deferred tax liability cannot be recognized. The deferred tax liability and corresponding increase in the carrying value of the above mineral properties were derecognized as of the transition date.

(b) During the year ended July 31, 2011, under Canadian GAAP, we recognized a $313,300 recovery of deferred income tax for the dissolution of BC Co. Under IFRS, recovery of deferred income tax became $Nil due to the elimination of the deferred tax liability upon initial recognition at the time of acquisition of BC Co.

(c) During the year ended July 31, 2011, we abandoned the Ontario Lithium claims and the related acquisition costs of $387,789 were written off. Under IFRS, the impairment of the acquisition costs was decreased to $293,799 by $93,990 due to the elimination of the mineral property bump up upon initial recognition.

Off-Balance Sheet Arrangements

Our company does not utilize off-balance sheet arrangements.

Related Parties Transactions

Directors received $76,025 in management fees directly or through companies wholly-owned by them during the six months ended January 31, 2012 (six months ended January 31, 2011 – $80,459). Conrad Clemiss and BLB Consulting Inc. were paid management fees. There are no management agreements in place and our company has no contractual requirement to continue paying management fees. The directors were actively seeking new projects for our company and working on our company's existing property. During the six months ended January 31, 2012, there were share based payments of $41,575, relating to options granted to two directors and one officer.

These transactions are in the normal course of operations and were measured at the exchange amount, a reasonable amount agreed upon by the related parties.

As at January 31, 2012, accounts payable and accrued liabilities included $8,646 (July 31, 2011 – $18,065) payable to Canasia Industries Corporation for reimbursement of expenses and for rent. Canasia Industries is a related party in that Conrad Clemiss is a director of both companies. This amount is unsecured, non-interest bearing and payable on demand.

Financial and Other Instruments

Our company's financial instruments consist of cash and cash equivalents, HST recoverable, accounts payable and accrued liabilities and loans and interest payable. Unless otherwise noted, it is management's opinion that our company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Proposed Transactions

Our company does not have any proposed transactions as of the date of this report.

Additional Disclosure for Venture Issuers without Significant Revenue

During the six months ended January 31, 2012 and 2011, our company incurred expenses including the following:

	2012	**2011**
Write down and depletion	$Nil	$Nil
Acquisition costs	$4,360	$2,170,869
General & administrative costs	$765,293	$549,850
Capitalized exploration costs	$806,541	$159,654

Additional Disclosure of Outstanding Share Data

Common Shares

Our company has authorized an unlimited number of common shares without par value.

As of January 31, 2012 and April 2, 2012, we had 54,850,262 common shares issued and outstanding for a value of $8,874,670.

At January 31, 2012 and April 2, 2012, there were no shares held in escrow.

Stock options

As at January 31, 2012 and April 2, 2012, we had 5,484,166 share purchase options outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
1,850,000	$0.16	September 14, 2012
133,333	$0.10	October 11, 2012
1,536,000	$0.11	March 31, 2013
143,333	$0.10	April 1, 2014
187,500	$0.11	September 8, 2014
306,000	$0.10	October 9, 2014
120,000	$0.13	August 31, 2015
1,150,000	$0.10	January 13, 2017
58,000	$0.10	October 11, 2017
5,484,166		

* During the six months ended January 31, 2012, our company amended the exercise price from $0.22 per share to $0.11 per share and increased the term to an expiry date of March 31, 2013 from March 31, 2012 on these 1,536,000 stock options. Our company has received both regulatory approval and disinterested shareholder approval for the above amendment.

Warrants

At January 31, 2012 and April 2, 2012, we had 9,558,189 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
9,208,189	$0.25	September 6, 2016
350,000	$0.30	September 6, 2016
9,558,189		

Risks and Uncertainties

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, we face a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that we intend to undertake on our properties and any additional properties that we may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by us in the exploration of our properties may not result in the discovery of any mineral deposits. Any expenditure that we may make in the exploration of any other mineral property that we may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of our exploration do not reveal viable commercial mineralization, we may decide to abandon or sell some or all of our property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that our exploration activities will result in the discovery of any quantities of mineral deposits on our current properties or any other additional properties we may acquire.

We intend to continue exploration on our current properties and we may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. We can provide investors with no assurance that exploration on our current properties, or any other property that we may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent us from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If we are unable to establish the presence of mineral deposits on our properties, our ability to fund future exploration activities will be impeded, we will not be able to operate profitably and investors may lose all of their investment in our company.

Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that we may incur liability or damages as we conduct our business.

The search for mineral deposits involves numerous hazards. As a result, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. At the present time we have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on our financial position.

The potential profitability of mineral ventures depends in part upon factors beyond the control of our company and even if we discover and exploit mineral deposits, we may never become commercially viable and we may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond our control, including the existence and size of mineral deposits in the properties we explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in our company not receiving any return on invested capital. These factors may have material and negative effects on our financial performance and our ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on our company.

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed and any such changes may prevent us from conducting planned activities or may increase our costs of doing so, which would have material adverse effects on our business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on us, especially, foreign laws and regulations. Additionally, we may be subject to liability for pollution or other environmental damages that we may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect our ability to carry on our business.

Recent political attest in the African region may significantly impact our exploration in Tanzania.

Because our property interests may not contain any mineral deposits and because we have never made a profit from our operations, our securities are highly speculative and investors may lose all of their investment in our company.

Our securities must be considered highly speculative, generally because of the nature of our business and our stage of explorations. We currently have exploration stage property interests which may not contain mineral deposits. We may or may not acquire additional interests in other mineral properties but we do not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, we have not generated any revenues nor have we realized a profit from our operations to date and there is little likelihood that we will generate any revenues or realize any profits in the short term. Any profitability in the future from our business will be dependent upon locating and exploiting mineral deposits on our current properties or mineral deposits on any additional properties that we may acquire and subsequent development. The likelihood that any mineral properties that we may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. We may never discover mineral deposits in respect to our current properties or any other area, or we may do so and still not be commercially successful if we are unable to exploit those mineral deposits profitably. We may not be able to operate profitably and may have to cease operations, the price of our securities may decline and investors may lose all of their investment in our company.

As we face intense competition in the mineral exploration and exploitation industry, we will have to compete with our competitors for financing and for qualified managerial and technical employees.

Our competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than we have. As a result of this competition, we may have to compete for financing and be unable to conduct any financing on terms we consider acceptable. We may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If we are unable to successfully compete for financing or for qualified employees, our exploration programs may be slowed down or suspended, which may cause us to cease operations as a company.

We have a history of losses and have a deficit, which raises substantial doubt about our ability to continue as a going concern.

We have not generated any revenues since our date of inception and we will continue to incur operating expenses without revenues if and until we engage in commercial operations. Our accumulated loss as of January 31, 2012 was $5,860,703 since inception. We had cash and cash equivalents in the amount of $187,964 as at January 31, 2012. We estimate our average monthly operating expenses to be approximately $60,000 each month. We cannot provide assurances that we will be able to successfully explore and develop our property interests. These circumstances raise substantial doubt about our ability to continue as a going concern as described in the notes to our audited financial statements for the period ended July 31, 2011, our independent auditors included an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. If we are unable to continue as a going concern, investors will likely lose all of their investments in our company.

Our future is dependent upon our ability to obtain financing and if we do not obtain such financing, we may have to cease our exploration activities and investors could lose their entire investment.

There is no assurance that we will operate profitably or will generate any positive cash flow in the future. We will require additional financing in order to proceed with the exploration and, if warranted, development of our properties. We will also require additional financing for the fees we must pay to maintain our status in relation to the rights to our properties and to pay the fees and expenses necessary to operate as a public company. We will also need more funds if the costs of the exploration of our mineral claims are greater than we have anticipated. We will require additional financing to sustain our business operations if we are not successful in earning revenues. We will also need further financing if we decide to obtain additional mineral properties. We currently do not have any arrangements for further financing and we may not be able to obtain financing when required. Our future is dependent upon our ability to obtain financing. If we do not obtain such financing, our business could fail and investors could lose their entire investment.

Our directors and officers are engaged in other business activities and accordingly may not devote sufficient time to our business affairs, which may affect our ability to conduct operations and generate revenues.

Our directors and officers are involved in other business activities. As a result of their other business endeavours, our directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to our business affairs, which may negatively affect our ability to conduct our ongoing operations and our ability to generate revenues. In addition, the management of our company may be periodically interrupted or delayed as a result of our officers' other business interests.

RISKS RELATING TO OUR COMMON STOCK

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our ability to continue operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because a significant portion of our operations have been and will be financed through the continued sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our operations. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to continue our current operations. If our stock price declines, we can offer no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations or become insolvent.

The market price for our common stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of our common stock and our operations as a result.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, and in the accompanying financial statements, is the responsibility of management. In the preparation of this MD&A and the financial statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Lack of optimal segregation of duties has been observed due to the relatively small size of the

Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Additional Information

We file annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at http://www.sedar.com.