RAZORE ROCK RESOURCES INC.

Management Discussion and Analysis
For the six month periods ended October 31, 2011 and 2010

This Management Discussion and Analysis ("**MD&A**") of Razore Rock Resources Inc. (the "**Company**") dated as of December 22, 2011, provides analysis of the Company's financial results for the six month periods ended October 31, 2011 and 2010. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the notes thereto for the six months ended October 31, 2011 and 2010 and the three months ended July 31, 2011 and 2010 (the "**Interim Financial Statements**"), prepared in accordance with International Accounting Standard 34, using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as well as the Company's most recent annual consolidated financial statements and notes thereto for the year ended April 30, 2011, which have been prepared in accordance with Canadian generally accepted accounting principles ("**CGAAP**"). The Company's auditors have not performed a review of the Interim Financial Statements. These documents along with others published by the Company are available on SEDAR at www.sedar.com.

Overall Performance

The Company is a mineral exploration company focused on the acquisition, exploration and development of mineral resources, primarily gold, in Canada. The Company's common shares trade on the Canadian National Stock Exchange ("**CNSX**") under the symbol "**RZR**". The first quarter of fiscal 2012 has been quiet for the Company. Management continues to maintain the Company's interest in the Duff Claims by making cash payments in lieu of expenditures pending commencement of a work program on the property. Management has been actively seeking other properties for acquisition or other opportunities for the Company but has not yet identified a suitable property or transaction for the Company. The Company must spend $36,400 of flow-through funds by December 31, 2011. The Company also has $57,200 in funds paid in lieu of expenditures on the Duff Claims, which funds will be refunded to the Company if an equivalent amount of acceptable work is completed and filed on the Duff Claims by the end of November, 2011. The Company commissioned a total field magnetics survey on the Duff Claims which was completed in late November fulfilling its flow-through expenditure commitment and entitling the Company to re-imbursement of approximately $57,000 of funds paid in lieu of exploration work which is available to the Company as working capital. Management will continue to actively pursue the acquisition of further resource properties and financing as necessary for the Company.

As at October 31, 2011 the Company had working capital of $126,024 (April 30, 2011- $144,764). The decrease in working capital during the period is a result of the cash expenses incurred in the period. The ability of the Company to realize on its assets and discharge its liabilities as they come due is dependent on the ability to generate cash flow from its investments and be able to continue to secure other forms of financing.

Results of Operations – six month month period ended October 31, 2011 compared to the six month period ended October 31, 2010

The Company had a gain on disposition of its marketable securities in the amount of $5,110 (2010 – $Nil).

On May 6, 2011 the Company granted 550,000 stock options to directors and officers to purchase common shares at $0.15 per share until expiry on May 6, 2016. The fair value of the stock options issued was estimated using a Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 150%, risk-free interest rate of 1.53% and expected life of 5 years. Using these parameters the options were valued at $75,000.

The comprehensive loss for the six month period ended October 31, 2011 was $96,169 compared to $29,482 for the six month period ended October 31, 2010. The increase in the loss of $66,687 was mainly the result of the expense associated with the value attributed to the stock options issued during the six month period ended October 31, 2011. These options were valued at $75,000 (see previous paragraph). No options were granted in the comparable period

in 2010. This increase in loss over the comparable prior period was partially offset by a decrease in professional fees in the amount of $4,204 and by an increase in gain on sale of marketable securities of $5,110.

At October 31, 2011 the Company had cash and cash equivalent assets in the amount of $67,946 (excluding restricted cash and cash equivalents) compared to $92,593 at April 30, 2011. The decrease during the quarter is due to cash expenses paid in the quarter. In addition to the above noted cash the Company also had $36,400 (April 30, 2011 - $36,400) in cash restricted to be spent on Canadian Exploration Expenditure as a result of the flow-through share financing that took place during the prior year.

The investment in mining claims at the end of October 31, 2011 was $40,448 unchanged from the amount at the end of April 2011.

At the end of 2011 the Company had accounts payable and accrued liabilities in the amount of $56,103 compared to $53,180 at April 30, 2011.

Liquidity and capital resources

At October 31, 2011, the Company had shareholders equity in the amount of $98,409 compared to shareholders equity of $119,578 at April 30, 2011. The decrease was a result of the loss incurred in the quarter.

At October 31, 2011, the Company had an accumulated deficit in the amount of $1,097,810 compared to $1,003,261 at April 30, 2011.

For the six month periods ended October 31, 2011 and 2010 cash was used in operations as follows: $29,757 in 2011 and $641 in 2010. The Company received proceeds of $5,110 on sale of its marketable securities in 2011 compared to $Nil in 2010.

In 2011 and 2010 the Company had an investment in AurCrest Gold Inc. (formerly Tribute Minerals Inc.) The Company owned 18,000 (90,000 pre share consolidation) shares of Tribute Minerals Inc. which had a cost of $27,000. Effective December 3, 2010, Tribute change its name to **AurCrest Gold Inc.** and consolidated its stock on the basis of 1 new share of AurCrest Gold Inc. for each 5 shares of Tribute held.

The investment in AurCrest Gold Inc. is a Financial Instruments and has been classified as available for sale ("**AFS**") and carried at market value with changes in value reflected in comprehensive income. During the six month period ended October 31, 2011, the Company recognized a loss on the adjustment of AFS financial instruments in the amount of $1,620 (2010 - $3,600) related to the unrealized loss on these available for sale financial instruments.

Capital Management

The Company's policy is to attain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risks characteristic of the underlying resource assets. As a junior resource exploration company, the Company considers its capital structure to be comprised of working capital only. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected expenditure levels.

The Company has not paid or declared any dividends since the date of its incorporation, nor are any dividends contemplated in the foreseeable future.

The Company does not have any externally imposed capital requirements.

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

Mining Properties

The Company holds a 100% interest in five (5) mining claim blocks in Sourdough Bay and Mikanagan Faults Area, Flin Flon District, Manitoba, four (4) of which are subject to a 3% Net Smelter Returns Royalty and one (1) of which is subject to a 2% Net Smelter Returns Royalty.

As indicated in the Company's NI 43-101 Technical Report dated November 30, 2010 titled "Geology and Mineralization on the Duff Claims, Flin Flon Area (NTS 63K14/NW), Manitoba" prepared by Mark Fedikow, Ph.D., P.Eng., P.Geo. C.P.G. of Mount Morgan Resources Ltd., the Company has a recommended exploration program on the Duff Claims totaling $546,105 two phases: Phase One comprised of line/grid cutting, Induced Polarization (I.P.) and magnetometer surveys and soil geochemistry sampling to define drill targets; followed by Phase Two comprised of 2,000m of diamond drilling. The report can be reviewed at www.sedar.com.

The property is located 33 km east-northeast from the mining community of Flin Flon, Manitoba, near the central portion of the Flin Flon – Snow Lake volcanic belt, which stretches from Amisk Lake (Saskatchewan) to Wekusko Lake, east of Snow Lake, Manitoba. The Flin Flon-Snow Lake greenstone belt is renowned for base metal massive sulphide-type mineralization accompanied by significant precious metal credits.

Historic exploration in areas immediately adjacent to the Duff Claims have indicated the presence of a specific set of geological characteristics that can be expected to apply to exploration on the Duff Claims. This includes the species of sulphide minerals associated with gold mineralization and accompanying styles of alteration. Esso Minerals drilling in the 1980s revealed that visible gold mineralization in the area of the Duff Claims was associated with up to 5% pyrite, plus minor pyrrhotite, galena, chalcopyrite and trace arsenopyrite mineralization. This mineralization occurred within a multi-deformational, multi-episodic quartz injected, brittle-ductile deformation zone. Alteration associated with the high-grade gold consisted of silicification, biotitization, and quartz veins, but lacked significant carbonatization. This alteration is similar to much of the alteration associated with elevated gold values intersected by Esso's 1988 drilling along the Sourdough Bay Fault. Grab and chip samples along this Fault assayed up to 3.48 oz/ton Au and points to the potential for high-grade gold mineralization in the Duff Claims environment.

Applied geochemical surveys have indicated the presence of strongly elevated precious and base metal anomalies on the Duff Claims and represent viable exploration tools for future work on the property. An integrated geological-geophysical-geochemical exploration program is recommended to delineate diamond drill targets.

The Company completed a total field magnetics survey on the Duff Claims. A press release detailing the work program will be issued once the data has been reviewed.

Conversion to IFRS

Overview

The consolidated condensed interim financial statements for the six month period ended October 31, 2011 and 2010 have been prepared in accordance with IAS 34 using accounting policies consistent with IFRS. Previously, the Company prepared its financial statements in accordance with CGAAP. The consolidated condensed interim financial statements have been prepared using accounting policies that are consistent with IFRS as expected to be effective on April 30, 2012, the Company's first annual IFRS reporting date. Unless otherwise noted, these policies have been applied in the preparation of these unaudited condensed consolidated interim financial statements, including all comparative information. For a more full description of the accounting policies used please refer to the July 31, 2011 and 2010 consolidated condensed interim financial statements which were the Company's first interim financial statements prepared under IFRS.

First-Time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, First Time Adoption of International Financial Reporting Standards ("**IFRS 1**"). IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was May 1, 2010 (the "**Transition Date**"). IFRS 1 requires retrospective application of IFRS effective at the end of its first annual reporting period, which for the Company will be April 30, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions to this retrospective treatment.

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

The Company has elected to apply the following optional exemptions in its preparation of an opening statement of financial position dated May 1, 2010, the Company's "Transition Date":

- **Business combinations**
  To apply IFRS 3 Business Combinations prospectively from the Transition Date, therefore not restating business combinations that occurred prior to May 1, 2010.

- **Share-based payment transactions**
  To apply IFRS 2 Share-based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

- **IAS 27 – Consolidated and separate financial statements**
  To apply IAS 27 Consolidated and Separate Financial Statements prospectively, as the Company has elected to apply IFRS 3 Business Combinations prospectively.

- **Restoration, rehabilitation and environmental obligations**
  The company has elected to apply the exemption from full retrospective application of decommissioning provisions allowed under IFRS 1. As a result, the company has re-measured the provisions at May 1, 2010 under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and estimated the amount to be included in the cost of the related asset by discounting the liability to the date at which the liability first arose.

- **IFRIC 4 Determining Whether an Arrangement Contains a Lease**
  The Company has elected to apply the transition provisions of IFRIC 4 Determining Whether an Arrangement Contains a Lease, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date. The Company has no leases.

- **Financial Instruments**
  Designation of AFS and FVTPL financial assets

- **Estimates**
  IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those made under CGAAP.

Changes to Accounting Policies

The Company has changed certain accounting policies to be consistent with IFRS effective or available for early adoption on April 30, 2012, the Company's first annual IFRS reporting date. Adoption of IFRS has had no material impact on the Company's statements of cash flows for the six months ended October 31, 2011 and the twelve months ended April 30, 2011. The changes to accounting policies have not resulted in any significant change to the

recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements, except as disclosed below:

a) Impairment of (non-financial) Assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. CGAAP required a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies relating to impairment of non-financial assets have been changed to reflect these differences and there is no impact on the financial statements.

b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while CGAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the financial statements.

c) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Under IFRS, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available. Under CGAAP, the Company recorded the tax cost of expenditures renounced to subscribers on the date the deductions were renounced to the subscribers. Share capital was reduced and future income tax liabilities were increased by the tax cost of expenditures renounced to the subscribers, except that the amount was recognized as a tax recovery to the extent that suitable future tax assets were available.

At the Transition Date, this change in accounting policy resulted in a decrease in capital stock of $Nil (April 30, 2011 - $1,925) and an increase in the deficit of $Nil (April 30, 2011 - $9,100). There was no change in reported net loss for any of the periods disclosed.

Where flow-through shares were issued at a premium but expenditures were not incurred by the end of the reporting period, a liability is shown in "flow-through share premium liability". This resulted in a liability of $Nil at the date of transition (April 30, 2011 - $11,025).

New accounting policies issued but not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after May 31, 2011 or later. Updates that are not applicable or immaterial to the Company have been excluded.

Financial Instruments: Classification and Measurement ("IFRS 9")
Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, IFRS 9 introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning on or after January 1, 2013 and has not yet considered the potential impact of the adoption of IFRS 9.

In May 2011, the IASB issued the following standards, effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, which have not yet been adopted by the Company. The Company has not yet begun to assess the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

International Financial Reporting Standard 10, Consolidation ("IFRS 10")
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.

International Financial Reporting Standard 11, Joint Arrangements ("IFRS 11")
IFRS 11 requires a venture 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 proportionally consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Controlled Entities – Non-monetary Contributions by Venturers.

International Financial Reporting Standard 12, Disclosure of Interests in Other Entities ("IFRS 12")
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.

International Financial Reporting Standard 13, Fair Value Measurement ("IFRS 13")
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements 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 value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

International Accounting Standard 28, Investments in Associates and Joint Ventures ("IAS 28")
As a consequence of the issuance of IFRS 10, IFRS 11, and IFRS 12, IAS 28 has been amended and will further provide accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Company when there is joint control or significant influence over an investee.

Further information with regards to the conversion to IFRS is included in the Company's Condensed Consolidated Interim Financial Statements as at October 31, 2011 and 2010 and the notes thereto. We draw your attention in particular to Note 11 which discusses the impact that the conversion from CGAAP to IFRS has had on the Company's financial information and includes the required reconciliations for first time adopters.

A reconciliation of the CGAPP financials statements is disclosed below:

The CGAAP statement of financial position as at May 1, 2010 has been reconciled to IFRS as follows:

	CGAAP $	Effect of transition to IFRS $	IFRS $
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,016	$ -	$ 1,016
Cash and cash equivalents - restricted	-	-	-
Prepaid expenses	9,600	-	9,600
H.S.T. receivable	8,879	-	8,879
	19,495	-	19,495
Non-current assets:			
Mining claims	65,593	-	65,593
Investments	8,100	-	8,100
	$ 93,188	$ -	$ 93,188
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 35,429	$ -	$ 35,429
Minority interest	59,224	-	59,224
SHAREHOLDERS' EQUITY			
Common shares	912,894	-	912,894
Warrants	1,250	-	1,250
Contributed Surplus	12,500	-	12,500
Deficit	(909,208)	-	(909,208)
Accumulated other comprehensive income	(18,901)	-	(18,901)
	(1,465)	-	(1,465)
	$ 93,188	$ -	$ 93,188

The CGAAP statement of financial position as at October 31, 2010 has been reconciled to IFRS as follows:

	CGAAP $	Effect of transition to IFRS $	IFRS $
ASSETS			
Current assets			
Cash and cash equivalents	$ 375	$ -	$ 375
Prepaid expenses	47,600	-	47,600
H.S.T. receivable	10,701	-	10,701
	58,676	-	58,676
Non-current assets:			
Mining claims	33,917	-	33,917
Investments	4,500	-	4,500
	$ 97,093	$ -	$ 97,093
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 68,816	$ -	$ 68,816
Minority interest	59,224	-	59,224
SHAREHOLDERS' EQUITY			
Common shares	912,894	-	912,894
Warrants	1,250	-	1,250
Contributed Surplus	12,500	-	12,500
Deficit	(935,090)	-	(935,090)
Accumulated other comprehensive income	(22,501)	-	(22,501)
	(30,.947)	-	(30,647)
	$ 97,093	$ -	$ 97,093

The CGAAP statement of financial position as at April 30, 2011 has been reconciled to IFRS as follows:

		CGAAP $	Effect of transition to IFRS $	IFRS $
ASSETS				
Current assets				
Cash and cash equivalents		$ 92,593	$ -	$ 92,593
Cash and cash equivalents - restricted		36,400	-	36,400
Prepaid expenses		50,800	-	50,800
H.S.T. receivable		18,151	-	18,151
		197,944	-	197,944
Non-current assets:				
Mining claims		40,448	-	40,448
Investments		4,321	-	4,321
		$ 242,713	$ -	$ 242,713
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		$ 53,180	$ -	$ 53,180
Non-current liabilities:				
Flow-through share premium liability		-	11,025	11,025
Minority interest		58,930	-	58,930
SHAREHOLDERS' EQUITY				
Common shares	(c)	1,126,194	(1,925)	1,124,269
Warrants		7,500	-	7,500
Contributed Surplus		13,750	-	13,750
Deficit	(c)	(994,161)	(9,100)	(1,003,261)
Accumulated other comprehensive income		(22,680)	-	(22,680)
	(c)	130,603	(11,025)	119,578
		$ 242,713	$ -	$ 242,713

The CGAAP statement of comprehensive loss for the six months ended October 31, 2010 has been reconciled to IFRS as follows:

	CGAAP $	Effect of transition to IFRS $	IFRS $
EXPENSES			
General administration	1,658	-	1,658
Filing fees	1,405	-	1,405
Professional fees	22,819	-	22,819
Net loss for the period	25,882	-	25,882

The CGAAP statement of comprehensive loss for the year ended April 30, 2011 has been reconciled to IFRS as follows:

		CGAAP $	Effect of transition to IFRS $	IFRS $
EXPENSES				
General administration		$ 20,990	$ -	$ 20,990
Professional fees		73,357	-	73,357
Net loss before undernoted		94,347	-	94,347
Minority interest in loss		(294)	-	(294)
Net loss for the year before income tax		94,053	-	94,053
Future income tax	(c)	9,100	(9,100)	-
Net loss for the period		$ 84,953	$ (9,100)	$ 94,053

Transactions with related parties

The Company’s related parties consist of executive officers and directors:

		Six months ended October 31	
Related Party	**Item**	**2011**	**2010**
Director	Legal fees charged to statement of loss	$ 10,673	$ 11,152
Key Management Personnel			
	Salaries and fees charged to statement of loss	$ -	$ -
	Share-based payments charged to statement of loss	$ 75,000	$ -

The above transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

Share Capital

Authorized

Unlimited common shares

Shares were issued as follows:

In the prior fiscal year the Company completed a private placement of 3,300,000 working capital units at a price of $0.05 per unit for gross proceeds of $165,000 with each unit consisting of one common share and one common share purchase warrant. Each warrant is exercisable into a common share at a price of $0.10 until the earlier of: (i) the date which is eighteen (18) months following the Closing Date; and (ii) in the event that the closing price of the Common Shares is at least $0.20 for twenty (20) consecutive trading days, and the 20th trading day (the "**Final Trading Day**") is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day (the "**Trigger Date**"). The Company also completed a private placement offering of 519,999 flow through units at a price of $0.07 per unit for gross proceeds of $36,400 which each unit consisting of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share under the same terms as the working capital unit offering. The warrants issued in these offerings have been valued at $7,200 using a Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate 1.19%, expected volatility of 55% and an expected life of 18 months.

During the prior fiscal year the Company issued 350,000 common shares at $0.06 per share for $21,000 in total to settle debt with a party related to a director. In addition, the Company issued 150,000 units to settle debt in the amount of $7,500. Each unit consisted of one common share and one common share purchase warrant with each warrant being exercisable into one common share at a price of $0.10 per share until the earlier of October 25, 2012 and the Trigger Date. The warrants issued have been value at $300 using the same assumptions as noted above for the private placements.

Share based payments

The Company has a common share purchase option plan (the "**Plan**") for directors, officers, employees, and consultants. Options granted under the Plan generally have a five-year term. Options are granted at a price no lower than the market price of the common shares at the time of the grant.

For the six months ended October 31, 2011, share-based payments of $75,000 (2010 - $Nil) was charged to loss.

The change in stock options during the three months ended October 31, 2011:

	Number of options	Wtd Avge exc. price
At April 30, 2011	-	$ -
Issued	550,000	$ 0.15
At October 31, 2011	550,000	$ 0.15

The fair value of the stock options issued in the current quarter was estimated using a Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 150%, risk-free interest rate of 1.53% and expected life of 5 years.

The following table summarizes information about options outstanding at October 31, 2011:

Exercise price	Number of options	Remaining contractual life in years
0.15	550,000	4.75

Summary of Quarterly Results

	2011	July 31, 2011	Apr 30 2011	Jan 31 2010	Oct 31 2010	Jul 31 2010	Apr 30 2010	Jan 31 2010 (Note 1)
Revenue	$-	$5,110	$-	$ -	$ -	$1,910	$ -	$ -
Net income (loss)	(15,111)	(80,698)	(19,631)	(39,440)	(12,330)	(13,552)	(16,197)	(13,341)
Net income (loss) per share								
-basic and diluted	-	(0.01)	(0.01)	-	-	-	(0.01)	-
Total assets	225,276	243,940	242,713	263,839	97,093	94,172	93,188	102,053

Note 1: information for the period ended January 31, 2010 are reported under CGAAP

Outstanding Share Data

Common shares and convertible securities outstanding at December 22, 2011 were:

Security	Expiry Date	Exercise Price	Securities Outstanding	Common Shares on Exercise
Common shares	n/a	n/a	9,708,768	N/A
Warrants	Various	$0.10	3,776,999	3,776,999
Options	May 6, 2016	$0.15	550,000	550,000

Subsequent Events

Management is not aware of any material subsequent events.

Risk Factors

The Company is exposed to credit risk and liquidity risk. The Company's primary risk management objective is to protect assets, earnings and cash flow and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure that the Company's risks and the related exposure are consistent with its business objectives and risk tolerance. There have been no changes to the risks to which the Company is exposed or to the corresponding risk management strategies during the current period.

Credit risk
The Company's accounts receivable include amounts that are recoverable on account of harmonized sales tax. These amounts are subject to verification through audits that may be conducted by Canada Revenue Agency. The accounts receivable do not contain any past due amounts and the Company has no history of bad debts.

Liquidity risk
The Company currently has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it to enable it to meet its obligations as they become due. Although the Company has been successful in the past in financing its activities, there can be no assurance that it will be able to do so in the future.

In addition to the financial risks noted above, given the Company's current status as an exploration stage company, there are numerous additional risk factors that could affect the Company's business prospects and future performance, including the following. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also affect the Company's business prospects and future performance.

Additional capital

The exploration and development of the Company's mineral property interests will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on the Company's mineral property interests. The Company will also require additional funding to acquire further property interests. The ability of the Company to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury of the Company, control of the Company may change and security holders may suffer additional dilution.

Operating history

The Company has a very limited history of operations and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and an absence of revenues. There is no assurance that the Company will be successful in achieving a return on shareholder investment and the likelihood of success must be considered in light of its early stage of operations.

Highly speculative business

The nature of the Company's business is highly speculative due to its proposed involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Company. The commercial viability of a mineral deposit, if discovered, depends upon a number of factors including the particular attributes of the deposit (principally size and grade), the proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes base metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Company. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production.

Commodity price and exchange rate fluctuations

The feasibility of mineral exploration is significantly affected by changes in the market price of the minerals expected to be produced. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of minerals and stability of exchange rates can all cause significant fluctuations in mineral prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Key officers, consultants and employees

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has not purchased any key-man insurance with respect to any of its directors, officers or consultants and has no current plans to do so.

Title

The mining claims in which the Company has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims have not been converted to lease and tenure, and as a result, are subject to annual compliance with assessment work requirements. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations land claims and title may be affected by undetected defects. There is no guarantee that title to the Company's properties

or its rights to earn an interest in its properties will not be challenged or impugned. Also, in many countries including Canada and the USA, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries in respect of resource properties.

Maintaining interests in mineral properties

The Company's continuing right to maintain its ownership in its mineral property interests will be dependent upon compliance with applicable laws and with agreements to which it is a party. There is no assurance that the Company will be able to obtain and/or maintain all required permits and licenses to carry on its operations. Additional expenditures will be required by the Company to maintain its interests in its properties. There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

External market factors

The marketability and price of minerals which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The Company will be affected by changing production costs, the supply or/and demand for minerals, the rate of inflation, the inventory levels of minerals held by competing companies, the political environment and changes in international investment patterns.

Governmental and regulatory requirements

Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, which may include requirements for the Company to take corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of properties.

Environmental regulations

All phases of the Company's operations are subject to environmental regulation. Environmental legislation is becoming more strict, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that environmental regulation will not adversely affect the Company's operations. Environmental hazards may exist on a property in which the Company holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property.

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 the 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 means standards, and enforcement, fines and penalties for non-compliance are more stringent.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the 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. The Company intends to fully comply with all environmental regulations in all of the countries in which it is active.

Conflicts of interest
Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (Ontario), directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Uninsured risks
The Company currently does not have liability insurance.

Competition in acquiring additional properties
Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Dividend policy
No dividends on the common shares of the Company have been paid by the Company to date. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

Outlook

The Company is currently seeking additional property interests in Manitoba and Ontario to both add shareholder value and help facilitate financing of the Company. The continued turmoil in the markets and especially in the resource sector makes raising capital difficult. A total field magnetics survey was completed in November and a press release will be issued shortly outlining the results of that program. This program allowed the Company to fulfill its flow-through expenditure commitment and entitles the Company to re-imbursement of approximately $57,000 of funds paid in lieu of exploration work which is available to the Company as working capital.

Forward Looking Information

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such forward-looking statements reflect the current expectations of the Management of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed or implied by those forward-looking statements, such as reduced funding, currency and interest rate fluctuations, increased competition and general economic and market factors and including the risk factors summarized below and under the heading "Risk Factors" in the Company's MD&A filed with its audited Financial Statements for the years ended April 30, 2010 and 2009. New risk factors may arise from time to time and it is not possible for Management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such

forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what Management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Additional Information:

(1) Additional information about the Company may be found on SEDAR at www.sedar.com.

(2) Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for the Company's most recent annual meeting of security holders held on December 10, 2010.

(3) Additional information is provided in the Company's financial statements for the most recently completed financial reporting period (year-end April 30, 2011) which were prepared under CGAAP.

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