RAZORE ROCK RESOURCES INC.

Annual Management Discussion and Analysis
For the years ending April 30, 2012 and 2011

This Management Discussion and Analysis ("**MD&A**") of Razore Rock Resources Inc. (the "**Company**") dated as of July 12, 2012, provides analysis of the Company's financial results for the years ending April 30, 2012 and 2011. The following information should be read in conjunction with the audited consolidated financial statements and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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**". 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 spent a total of $66,550 in exploration expenditures during the year and therefore has met its obligation to spend $36,400 in flow-through funds by December 31, 2011. The Company received a refund of $50,800 in the current year from its $57,200 in funds paid in lieu of expenditures on the Duff Claims with the balance of $6,400 written off as an expense. The $50,000 was refunded to the Company because an equivalent amount of acceptable work was completed and filed in December, 2011. Management will continue to actively pursue the acquisition of further resource properties and financing as necessary for the Company.

As at April 30, 2012 the Company had working capital of $21,084 (2011 - $144,764). The decrease in working capital during the year was as a result of the funds spent on its exploration and evaluation assets as well as funding the current year's losses. The Company is considered to be in the exploration stage, is in the process of exploring mineral properties in Canada and has not yet determined whether these properties contain economic reserves. While the financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business, adverse conditions could cast doubt upon the validity of this assumption. Management has estimated that the Company will have adequate funds from existing working capital to meet its corporate, administrative and property obligations for the coming year. If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional financing, and while the Company has been successful in the past, there can be no assurance that it will be able to do so in the future.

The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete their development, and upon future profitable production or proceeds from the disposition of its interests. The amounts shown as mineral properties represent net costs to date and do not necessarily represent present or future values. If the going concern assumption was not appropriate for the financial statements, then adjustments might be necessary to the carrying values of assets and liabilities, the reported loss and the balance sheet classifications used.

Selected Annual Information:

(Canadian $)

	Year ended April 30, 2012	Year ended April 30, 2011	Year ended April 30, 2010 (Note 1)
Revenue	**$ 5,110**	$ -	**$ -**
Net loss	**121,914**	**84,953**	**34,325**
Net loss per share			
- basic and diluted	**0.01**	**0.01**	**0.01**
Total assets	**208,052**	**242,713**	**93,188**

Note 1: The year ended April 30, 2010 is reported under CGAAP

Results of Operations - year ended April 30, 2012 compared to the year ended April 30, 2011.

The Company had a gain on disposition of its marketable securities in the amount of $5,110 (2011- $Nil).

As at April 30, 2012, the Company had cash and cash equivalent assets in the amount of $84,568 compared to $92,593 at the end of 2011. The decrease was due to funds spent exploring the Company's exploration and evaluation assets and funding the current year's loss offset by a recovery of money paid in lieu of work on the Company's exploration and evaluation assets. In addition to the above noted cash, the Company also had, at the end of the prior year, $36,400 in cash restricted to be spent on Canadian Exploration Expenses as a result of the flow-through share financing that took place in 2011. These funds were spent on Canadian Exploration Expenses during the current year.

The investment in mining claims at the end of 2012 was $106,998 compared to $40,448 at the end of 2011. The increase reflects the funds the Company spent on a total field magnetic survey which was completed across the entire claim block of the Company's Duff Claims property.

At the end of 2012 the Company had accounts payable and accrued liabilities in the amount of $73,529 compared to $53,180 at the end of 2011.

Liquidity and capital resources

At April 30, 2012, the Company had shareholders equity in the amount of $69,784 compared to $119,578 at the end of 2011.

At April 30, 2012, the Company had an accumulated deficit in the amount of $1,125,175 compared to $1,003,261 at the end of 2011. The increase in the deficit reflects the loss the Company incurred in the current year.

For 2012 and 2011 cash was provided by (used in) operations as follows: $17,015 in 2012 and ($87,543) in 2011. The Company received proceeds of $5,110 on sale of its marketable securities in 2012 compared to $Nil in 2011. In 2012, the Company did not complete any financings compared to net proceeds of $190,375 on financings that took place in fiscal 2011.

In 2012 and 2011 the Company had an investment in AurCrest Gold Inc. ("**AurCrest**"). The Company owned 18,000 shares of AurCrest which had a cost of $27,000.

The investment in AurCrest is a Financial Instrument and has been classified as available for sale ("**AFS**") and carried at market value with changes in value reflected in comprehensive income. During the year ended April 30, 2012, the Company recognized a loss on the adjustment of AFS financial instruments to market in the amount of $2,880 (2011 - $3,779) 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 National Instrument 43-101 ("**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 in two phases: Phase One comprising line/grid cutting, Induced Polarization (I.P.) and magnetometer surveys and soil geochemistry sampling to define drill targets; followed by Phase Two comprising 2,000m of diamond drilling. The report can be reviewed at www.sedar.com.

In late November, 2011, the Company completed a total field magnetic survey which was completed across the entire claim block of the Duff Claims property using a compass paced, flagged and GPS-controlled grid. A total of 122 kilometres was surveyed by EXSICS Exploration Limited of Timmins (Ontario). A report was prepared and filed in December resulting in a refund to the Company of $50,800 from previous payments made in lieu of expenditures on the Duff Claims.

The Duff Claims 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. The belt stretches from Amisk Lake (Saskatchewan) to Wekusko Lake, east of Snow Lake, Manitoba and is renowned for base metal massive sulphide-type mineralization accompanied by significant precious metal credits.

Magnetic Survey Results

The most predominant magnetic feature outlined on the grid is a large area consisting of both magnetic highs and lows. This magnetic feature is likely an iron-rich rock thought to be part of the northwest segment of a large fold structure centered in Naosap Lake and extending into the southwest corner of the claim group. The area of the magnetic high is part of a large U-shaped, south verging magnetic anomaly which may represent a gabbro intrusion. Magnetic gabbroic units are present in the area to the northwest of the property. The second most predominant feature is a magnetic low interpreted to be the geophysical signature of the Sourdough Fault structure. These two features are considered to be high priority target areas for further exploration.

The Company is planning detailed geological mapping and prospecting, Mobile Metal Ions soil geochemistry and Induced Polarization surveys once funding is obtained for this further program. The integrated results of these surveys will focus diamond drilling.

Historic Exploration

The results of historic exploration, including diamond drilling, in areas immediately adjacent to the Duff Claims have documented the presence of gold mineralization in association with sulphide minerals and related alteration. Esso Minerals drilling in the 1980s intersected visible gold in the area of the Duff Claims in association with up to 5% pyrite, minor pyrrhotite, galena, chalcopyrite and trace arsenopyrite. 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 that 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.

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 Consolidated Financial Statements as at April 30, 2012 and 2011 and for the years then ended and the notes thereto. We draw your attention in particular to Note 13 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 conversion of the CGAAP financials statements to IFRS 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 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	1,126,194	(1,925)	1,124,269
Warrants	7,500	-	7,500
Contributed Surplus	13,750	-	13,750
Deficit	(994,161)	(9,100)	(1,003,261)
Accumulated other comprehensive income	(22,680)	-	(22,680)
	130,603	(11,025)	119,578
	$ 242,713	$ -	$ 242,713

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	9,100	(9,100)	-
Net loss for the period	$ 84,953	$ (9,100)	$ 94,053

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

	CGAAP $	Effect of transition to IFRS $	IFRS $
Cash was provided by (used in) the following activities:			
Operations:			
Net loss for the year	$(84,953)	-	$(84,953)
Items not requiring an outlay of cash:			
Deferred income tax	(9,100)	-	(9,100)
Flow-through share premium liability		11,025	11,025
Minority income in income	(294)	-	(294)
Net change in working capital items related to operations	(4,221)	-	(4,221)
	(98,568)	11,025	(87,543)
Investments:			
Expenditures on exploration and evaluation assets	25,145	-	25,145
Financing:			
Capital stock issued for cash	201,400	(11,025)	190,375
Restricted cash	(36,400)	-	(36,400)
	165,000	(11,025)	153,975
Net change in cash and cash equivalents during the year	91,577	-	91,577
Cash and cash equivalents, beginning of year	1,016		1,016
Cash and cash equivalents, end of year	$ 92,593		$ 92,593

Transactions with related parties:

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

Related Party	Item	For the year ended April 30 2012		For the year ended April 30 2011	
Director	Legal fees charged to statement of loss	$	23,849	$	22,462
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

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 valued 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 year ended April 30, 2012, share-based payments of $75,000 (2011 - $Nil) was charged to loss.

The change in stock options during the year ended April 30, 2012 is noted below:

	Number of options	Wtd Avge exc. price
At April 30, 2011	-	$ -
Issued	550,000	$ 0.15
At April 30, 2012	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 April 30, 2012:

Exercise price	Number of options	Remaining contractual life in years
0.15	550,000	4.00

Summary of Quarterly Results

	Apr 30 2012	Jan 31 2012	Oct 31, 2011	Jul 31 2011	Apr30 2011	Jan 31 2010	Oct 31 2010	Jul31 2010
Revenue	$-	$ -	$ -	$5,110	$ -	$ -	$ -	$ 1,910
Net income (loss)	(30,980)	4,875	(15,111)	(80,698)	(19,631)	(39,440)	(12,330)	(13,552)
Net income (loss) per share -basic and diluted	-	-	-	(0.01)	(0.01)	-	-	-
Total assets	208,052	223,158	225,276	243,940	242,713	263,839	97,093	94,172

Outstanding Share Data

Common shares and convertible securities outstanding at July 12, 2012 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

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 completed a total field magnetic survey on its Duff Claims during the third quarter of fiscal 2012 (see heading "Mining Properties" above). Further work is required to clearly define drill targets. The Company has been seeking further financing and is currently seeking additional property interests in Manitoba and Ontario to both add shareholder value and help facilitate further financing of the Company. In spite of the continuing turmoil in the markets, the resource sector remains somewhat optimistic and the Management of the Company is hopeful that it will be able to build the Company with property acquisitions and financings now that the Company has more liquidity through its listing on CNSX.

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 above under the heading "Risk Factors". 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 is provided in the Company's financial statements for the most recently completed financial reporting period (year-end April 30, 2012) which were prepared under IFRS.

(3) Mark Fedikow, P.Eng. P.Geo. C.P.G., a Qualified Person in accordance with the Canadian regulatory requirements as set out in NI 43-101, a consulting geologist for the Company, has reviewed and approved the technical information in this MD&A.