FINORE MINING INC.
(Formerly Otterburn Ventures Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OCTOBER 31, 2011

BACKGROUND

The following information, prepared as of January 26, 2012, should be read in conjunction with the condensed interim financial statements and accompanying notes of Finore Mining Inc. (the "Company", formerly Otterburn Ventures Inc.) for the three months ended October 31, 2011 and the audited financial statements of the Company for the year ended July 31, 2011. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

During the period ended October 31, 2011, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

As of August 1, 2011, the Company adopted IFRS and the following disclosure, and the associated condensed interim financial statements, are presented in accordance with the International Accounting Standard 34, Interim Financial Reporting. The comparative periods for fiscal 2010 have been restated in accordance with IFRS.

The risk factors identified in previous management's discussion and analysis (the "MD&A") have also remained substantially unchanged but the risk factor of future financings has assumed a greater importance to the Company in view of the current economic climate and stock market volatility. Management has assessed and will continue to address the implications of recent events in order to ensure that the Company can continue to achieve its long term objectives.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

Certain statements contained in the foregoing MD&A constitutes forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

DESCRIPTION OF BUSINESS

The Company was incorporated on November 29, 2006 pursuant to the *Business Corporations Act,* British Columbia. The Company's principal business activity is the exploration of mineral properties. The Company was listed for trading on the Canadian National Stock Exchange (the "CNSX") since February 4, 2008 under the trading symbol "OTB". On September 26, 2011, the Company changed its name to Finore Mining Inc. and the Company's common shares began trading under the new symbol of "FIN."

The Company is a junior mineral exploration company engaged in the acquisition and exploration of strategic mineral properties. The Company is primarily engaged in the exploration for, and the development of, mineral properties with gold, copper, nickel, and other mineral. The Company may take advantage of other mineral projects as opportunities arise.

On August 24, 2011, the Company has entered into an option agreement with Nortec Minerals Corp ("Nortec"). The option agreement gives The Company the option to earn up to an 80% interest in Nortec's Läntinen Koillismaa ("LK") project, a palladium-platinum–gold–copper-nickel property, located in north central Finland. The effective date of the option agreement is September 7, 2011.

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The LK Property is located in north central Finland, 660km north of the capital Helsinki, 65km south of the Arctic Circle, and covers approximately 3750 hectares. The project is well serviced by power, water and roads affording all season access and development. The LK Project consists of the Kaukua, Lipeävaara, Murtolampi, Haukiaho and Haukiaho East Zones. Nortec carried out over 10,000 metres of diamond core drilling on the Kaukua Zone since 2007 and over 7,000 metres of historical diamond drilling was performed on the Haukiaho Zone since the 1960's. Nortec has not carried out any drilling to date on the Haukiaho Zone. The Company has hired an independent consulting company, Watts Griffis McOuat of Toronto, Canada, to prepare an update National Instrument 43-101 compliant mineral resource estimate and Technical Report for the LK Property.

QUALIFIED PERSON

All disclosure of scientific or technical information, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person.

Mr. Ian F. Laurent, MSc (EconGeol) MAIG RPGeo, CEO and Director is the Qualified Person for the Company.

CHANGES IN MANAGEMENT

During the period ended October 31, 2011, the Company continued to increase its operations and strengthen its management team.

On December 10, 2010, Savio Chiu was appointed a director of the Company.

On May 9, 2011, Robert Cairns resigned as a director.

On June 3, 2011, Steven Green was appointed as the President of the Company.

On October 3, 2011, Ian Laurent was appointed as the CEO and director of the Company. Peter Hughes has resigned his position as CEO and has been appointed as Chairman.

On November 1, 2011, Alexander Polevoy was appointed a director of the Company.

The Company's Board of Directors now consists of following: Alexander Polevoy, David Eaton, Ian Laurent, Peter Hughes and Savio Chiu.

OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the unaudited condensed interim financial statements for the period ended October 31, 2011 and and audited financial statements for the year ended July 31, 2011.

As at October 31, 2011, the Company had cash of $62,531 (2011 - $783,636) and short term investment of $3,124,513 (2011 - $4,266,271). Total current assets amount to $3,356,556 (2011 - $5,198,798). The decrease in total current assets is mainly due general office administrative expenditures and exploration expenditures.

Current liabilities at October 31, 2011 total $114,528 (2011 - $688,159). Shareholders' equity is comprised of share capital of $10,782,682 (2011 - $9,199,648), reserves of $1,793,378 (2011 - $1,675,231), deferred share-based payments of $Nil (2011 - $50,005) and a deficit of $6,627,044 (2011 - $6,213,515) for a net amount of $5,949,016 (2011 - $4,611,359). The increase in shareholder's equity is due to the grant of stock options and common shares during the period ended October 31, 2011.

Working capital, which is current assets less current liabilities, is $3,242,028 at October 31, 2011 compared to a working capital of $4,510,639 at July 31, 2011. Management believes that there is sufficient working capital to cover the Company's general and administration expenses (see Liquidity and Capital Resources below).

During the period ended October 31, 2011, the Company reported a net loss of $413,529 ($0.01 basic and diluted loss per share) compared to a net loss of $54,803 ($0.00 basic and diluted loss per share) reported for the period ended October 31, 2010.

RESULTS OF OPERATIONS

During the period ended October 31, 2011, the Company incurred a net loss of $413,529 compared to $54,803 for the period ended October 31, 2010. The net loss of $413,529 was mainly due to consulting fees of $185,084 (2010 - $33,680) related to administration, geological, investor relation, and management services provided by directors, officers and consultants of the Company; professional fees of $15,539 (2010 - $3,136) related to corporate advisory fees and legal fees on corporate matters and mineral property acquisitions; share-based payments of $165,502 (2010 - $Nil) for stock options granted to directors, officers and consultants of the Company; website maintenance fees of $12,633 (2010 - $180); and other general expense for administrative matters, conference, insurance, office, and travel of $21,199 (2010 - $19,001). The increase in operating costs from prior year is due to a general increase in exploration as a result of new properties acquired during fiscal 2011. During the period ended October 31, 2011 expenses were offset by interest income of $11,367 (2010 - $Nil). The Company recorded a loss on foreign exchange $24,939 (2010 - $Nil) for the period ended October 31, 2011.

Consulting fees of $185,084 (2010 - $33,680) relate to the management services provided by the members of the Company`s management team, the corporate advisory services provided by a company acting as an advisor and the CFO of the Company, geological and IT consulting services provided by consultants and investor relation ("IR") services provided by of the Company's IR consultant. The increase in 2011 is due to the increase in corporate activities of the Company compared to previous period.

The Company recorded $15,539 (2010 - $3,136) professional fee. $14,779 of the professional fee is related to legal advisory.

The Company granted 450,000 stock options during the period ended October 31, 2011. Share-based payments of $124,291 (2010 - $Nil), a non-cash charge, are the estimated fair value of the vesting portion of stock options granted during the period. The Company used the Black-Scholes option pricing model for all fair value calculations. Furthermore, $50,005 of share-based payments, relating to a consulting agreement signed on March 30, 2011, was recognized. 300,000 options were granted as part of the consultant's remuneration for the service period of 7 months. The Company recorded $50,005 of share-based payments for three months of services provided during the period October 31, 2011. The Company has also reversed $8,794 of share-based payments in relation to the options that were forfeited due to the termination of the Investor Relation Agreement signed on May 11, 2011.

Website maintenance fees of $12,633 (2010 - $180) has increased over the period due to a general increase in marketing activities.

Interest income of $11,367 (2010 - $Nil) during the period ended October 31, 2011, relates to interest income receivable on the Company's GIC account.

Due to the Company being in the exploration stage, management foresees further increases in the Company's expenses during the coming year resulting from its exploration activities. These expenses are contingent upon the Company's ability to fund these projects through private placements and other forms of financing. In the event that the Company does not receive the required funding, management will review all on-going expenditures and take appropriate actions to remedy the funding shortage.

The remaining proceed resulted from the private placement closed in May 2011 will mainly be used for general and administrative expenses, mineral property payments, and exploration expenditure requirements.

As at October 31, 2011, the Company has cash of $62,531 (2011 - $783,636), short term investment of $3,124,513 (2011 - $4,266,271), HST receivables of $69,145 (2011 - $54,458), prepaid expenses of $100,367 (2011 - $94,433) for prepaid investor relation, market communication, and insurance services, and accounts payable and accrued liabilities of $114,528 (2011 - $688,159) mainly relating to consulting and exploration service fees. The working capital at October 31, 2011 is $3,242,028 (2011 - $4,510,639). The decrease in working capital is due to exploration expenditures on the new mineral properties acquired.

SELECTED ANNUAL INFORMATION

For the year ended July 31, 2011, the financial statements have been restated in accordance with IFRS. The financial statements for the two prior years have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). All figures are expressed in Canadian dollars.

	Year Ended July 31, 2011 $	**Year Ended July 31, 2010 $**	**Year Ended July 31, 2009 $**
OPERATIONS			
Revenue	N/A	N/A	N/A
Net Loss	(4,752,589)	(529,750)	(356,348)
Other income	14,374	943	3,082
Basic and diluted loss per share	(0.24)	(0.05)	(0.03)
BALANCE SHEET			
Working capital (deficiency)	4,510,639	139,195	(84,980)
Total assets	5,299,518	177,426	552,202

During the year ended July 31, 2011 the Company incurred a net loss of $4,752,589 ($0.24 basic and diluted loss per share) compared to a net loss of $529,750 ($0.05 basic and diluted loss per share) for the year ended 2010. The increase in net loss was mainly due to the write-off of mineral property and deferred exploration expenditures and recognition of stock-based compensation.

Total Assets

Total assets as at July 31, 2011 of $5,299,518 (2010 - $177,426) continue to increase commensurate with cash received from equity financing. Total assets consist mainly of cash and short term investment, and total assets increased significantly from the previous year due to the completion of a non-brokered private placement for gross proceeds of $6,779,599 in May 2011.

Prepaid expense of $94,433 is recorded at July 31, 2011. Included in the prepared expense expenses are $66,667 paid for 10 months of investor relation services, $12,246 for 11 months of directors' insurance, and $15,000 for 2 months of market communication services.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for each of the last eight quarters:

	In accordance with IFRS					**As Per Canadian GAAP**		
	2012	**2011**				**2010**		
	Qtr 1	**Qtr 4**	**Qtr 3**	**Qtr 2**	**Qtr 1**	**Qtr 4**	**Qtr 3**	**Qtr 2**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-	-	-	-
Net Loss	413,529	4,484,502	101,287	111,997	54,803	482,331	3,996	21,342
Basic and diluted loss per share	0.010	0.226	0.006	0.007	0.004	0.041	0.000	0.002

Net Loss

The increase in quarterly losses for quarter two and three comparing to quarter one in fiscal 2011 were primarily the result of recognizing significant amounts of market communication consulting fees, professional fees associated with Lake Victoria property agreements (see Mineral Properties and Deferred Exploration Expenditures below) and corporate matters , and project investigation fees.

The significant increase in quarterly losses for quarter four in fiscal 2011 was primarily the result due to the write-off of mineral property and deferred exploration expenditures related to Lake Victoria and the grant of share-based payments during the quarter.

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Suskwa Mineral Claims – Omineca Mining Division, British Columbia

On March 26, 2008, the Company obtained an assignment of an option agreement (the "Suskwa Option Agreement") to acquire an undivided 100% interest in two mineral claims called the Suskwa Mineral Claims, located in the Omineca Mining Division, BC.

The payment, share issuance and exploration expenditure requirements are as follows:

	Date	**Cash**	**Shares**	**Exploration Expenditures**
Year 1	On September 30, 2007	$5,000 (*)		
	On March 31, 2008	$10,000 (*)		
	On March 28, 2008		100,000 (issued)	$ 50,000 (spent)
Year 2	On or before December 31, 2008	Nil	300,000 (issued)	$100,000 (spent)
Year 3	On September 30, 2009		100,000 (issued)	$100,000 (spent)
	On September 30, 2010	$40,000		
Year 4	On September 30, 2011	$50,000	100,000	$250,000

* Paid by assignor.

On September 29, 2010, the Company decided to terminate the Suskwa Option Agreement and returned the claims to the Optionor. As the result, the remaining outstanding option obligations were not fulfilled. The Company wrote

off all the related exploration expenditures and acquisition costs of the Suskwa property in fiscal year July 31, 2010. As a condition to terminate the option agreement, the Company paid $12,000 to the Optionor on October 4, 2010 and the Optionor agreed to release the Company from leaving the claims in good standing for a period of at least 12 months from the date of termination.

Lake Victoria Mineral Claims, Tanzania, East Africa

	Additions during the year and balance as at July 31, 2011
Beginning Balance	$ -
Acquisition Costs	2,372,294
Exploration Costs	
Legal fee	12,501
Geological consulting	105,936
Field expense and others	765,017
Claim renewal fee (accrued)	15,915
Write-off during the year	(3,271,663)
Ending Balance	$ -

On May 6, 2011, the Company entered into four option agreements (the "Lake Victoria Option Agreements") with Lake Victoria Mining Company, Inc. ("Lake Victoria"), whereby Lake Victoria has granted the Company the right to acquire up to an undivided 70% interest in and to certain primary mineral licenses and prospecting licenses owned by Lake Victoria known as the Singida Gold Project, North Mara Gold Project, Kalemela Gold Project and Geita Gold Project. On May 20, 2011, the Company issued 2,200,000 common shares at a deemed value of $0.45 per share for a total of $990,000 pursuant to the Lake Victoria Option Agreements. On May 20, 2011, the Company also issued 2,000,000 common shares at a price of $0.45 per share as finders' fees.

On July 8, 2011, the Company decided to terminate the Lake Victoria Option Agreements after reviewing the initial exploration results relating to the Singida Gold Project. Therefore, the remaining outstanding option obligations were not fulfilled. The Company wrote off all the related exploration expenditures and acquisition costs of the Lake Victoria property in fiscal year July 31, 2011. As a condition to terminate the option agreement, the Company paid $16,492 USD ($15,915 CAD) to Lake Victoria on September 22, 2011 to leave the respective licenses in good standing for a period of six months from the date of termination of the option agreements.

Läntinen Koillismaa Mineral Claims, North-eastern Finland

On July 21, 2011, the Company entered into a binding letter of intent with Nortec, whereby Nortec will grant the Company the right to acquire up to an undivided 80% interest in the rights to 37 exploration claims owned by Nortec known as the Läntinen Koillismaa Project. The Company made a non-refundable deposit of $100,000 upon execution of the binding letter of intent.

On August 24, 2011, the Company entered into the option agreement with Nortec (the "Nortec Option Agreement") and obtained to right to acquire up to an undivided 80% interest in the LK Project. The effective date of the Nortec Option Agreement, September 6, 2011, is the date the TSX Venture Exchange accepted the filing of the option agreement.

The payment, share issuance and exploration expenditure requirements are as follows:

The Company can earn an initial 49% interest in the LK Project by: a) making payments totalling $4.5 million in cash to Nortec; b) issuing the equivalent of $2 million in shares of the Company; and c) spending $5 million on exploration within 24 months, including a minimum of $2 million in the first 12 months.

The remaining 31% interest can be earned by the Company by: a) making a payment of $3 million in cash to Nortec on or before the 3 year anniversary from the Effective Date; b) issuing the equivalent of $1 million in shares of the Company to Nortec; and c) spending a further $5 million on exploration on the LK Project.
The payment, share issuance and exploration expenditure requirements are as follows:

	Date	Cash	Shares	Exploration Expenditures
Year 1	On July 21, 2011	$100,000 (paid)	-	-
	On September 7, 2011	$900,000 (subsequently paid)	1,660,408 shares (subsequently issued)	-
	On March 6, 2012	$1,000,000	$500,000	-
	On September 6, 2012	$1,250,000	$500,000	$2,000,000
Year 2	On March 6, 2013	$1,250,000	$500,000	-
	On September 6, 2013	-	-	$3,000,000
Year 3	On September 6, 2014	$3,000,000	$1,000,000	$5,000,000

In connection with the Nortec Option Agreement, the Company issued 1,850,000 common shares at $0.45 per share, for a total of $832,500 on September 7, 2011 as finder's fees in connection with the option.

		Balance as at October 31, 2011
Beginning Balance	$	-
Acquisition Costs		2,579,684
Exploration Costs		
Consulting - geological		32,136
Consulting - administrative and general		6,039
Office and general		20,863
Project administration		3,046
Reports		20,187
Surveying		37,013
Travel		7,909
Community Relation		(551)
Ending Balance October 31, 2011	$	2,706,326

The Property is located in north central Finland, 660km north of the capital Helsinki, 65km south of the Arctic Circle, and covers approximately 3750 hectares. The project is well serviced by power, water and roads affording all season access and development. The LK Project consists of the Kaukua, Lipeävaara, Murtolampi, Haukiaho and Haukiaho East Zones. Nortec carried out over 10,000 metres of diamond core drilling on the Kaukua Zone since 2007 and over 7,000 metres of historical diamond drilling was performed on the Haukiaho Zone since the 1960's. Nortec has not carried out any drilling to date on the Haukiaho Zone.

Based on the current drilling information, the Kaukua mineralization is open down-dip and along strike to the west and south. Information to date shows that that the Properties can host several large - tonnage PGE+Au-Cu-Ni deposits amenable to low cost open pit mining methods.

Preliminary metallurgical test work on a blended representative composite of ore types concludes that conventional rougher flotation yielded substantial recoveries of over 80% PGE + Au, associated with recoveries of over 93% for Cu and 51% for Ni. The recoveries appear to be somewhat dependent on the host rock composition. Cleaning this concentrate, again using conventional flotation means, produced a product assaying 16% Cu + Ni and 60 grams/tonne PGE + Au. Although this is not yet confirmed, a concentrate of this grade should be attractive to nickel

and PGM smelters, especially given the low value of 4% Magnesium Oxide (MgO). This also means that the initially planned PLATSOL™ process for higher recoveries of PGE metals may now not be required. This will help lower the processing costs, simplify the project and reduce the technical risk of the project as a whole.

Further metallurgical work being planned:

1. Optimization work for cleaner concentrate, with the addition of various amounts of the relevant reagents.
2. Tests and analysis to identify any other PGE associated metals like Rhodium and Iridium.
3. Marketing studies for the sale ability of concentrate.

In comparison to other PGE + Au and Ni-Cu massive supplied deposits, the concentrate from the LK Project has a much higher ratio of precious and base metals, producing a very high unit value per tonne of concentrate. This also favourably impacts infrastructure and transportation costs.

On October 5, 2011, the Company signed a contract with Finnish based drill contractor, Nivalan Timanttikairus Oy ("Nivalan") to carry out the Company's first drill program on the LK Project. The 10,000 metre drill program will begin on the Haukiaho Prospect, situated in the southern part of the LK Project, targeting the nominal strike of 3,700 m and down-dip extension of the mineralization that was included in the Inferred Mineral Resource estimated by WGM as part of the NI43-101 technical report submitted to Nortec. The Company is planning to continue the metallurgical test work on LK property (Kaukua-Haukiaho).

In November 2011, the Company has begun drilling on the LK project as part of the Nortec Option Agreement to earn-in an 80% interest in the property. The drilling program is performed by a Finnish drill contractor.

The first drill hole (HAU11-001) has been collared in the western extents of the Haukiaho Prospect, situated in the southern part of the LK Project. This drill program has been designed to optimise the drilling during the winter months and will target, a) the 3,700 metre strike and down-dip extension of the mineralisation at Haukiaho; and, b) mineralisation within high-grade embayment zones identified downdip at Kaukua.

In January 2012, the Company completed the updated NI 43-101-compliant technical report containing the mineral resource estimate for the LK property. The NI 43-101 report is available on SEDAR under the Company's profile. The technical report, entitled "A Technical Review of the Läntinen Koillismaa Project, Finland for Finore Mining Inc.", was prepared by Joe Hinzer, P. Geo., President of Watts, Griffis and McOuat Limited ("WGM"). WGM have recommended that Finore continue to upgrade the quality of the mineral resources on the LK project through continuing exploration.

The Company will upgrade the potential resource to comply with NI 43-101 standards, search for prospective partners and sources of funding to advance the project.

Hightlights:

Inferred Mineral Resource(i) (Kaukua+Haukiaho): 28.1 Million Tonnes for 586,080 ounces PGE+Gold, 60,567 tonnes of Copper and 38,703 tonnes of Nickel
Indicated Mineral Resource (Kaukua): 2.6 Million Tonnes for 80,399 ounces PGE+Gold, 4,429 tonnes of Copper and 3,126 tonnes of Nickel

Mineral Resources for the Kaukua and Haukiaho deposits were modeled and estimated by WGM applying a contained metal value approach to define the lower cut-off. This approach was used due to the presence of several metals contributing to the value of the deposit.

The intended use of the technical report for Finore, includes filing with securities regulators to support public disclosure, pursuant to Canadian provincial securities legislation, and, where required to comply with Finore`s Finnish reporting obligations as an SEC filer including disclosure on SEDAR and, if Finore chooses to do so, to

support the requirements of the multiple listing applications of Finore to other stock exchanges, in addition to its current listing on Canadian National Stock Exchange ("CNSX").

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares and/or debt. The Company's operating, investing and financing activities for the period ended October 31, 2011 resulted in a net decrease in cash of $721,105 and decrease in short term investment of $1,141,758. As at October 31, 2011, the Company's current assets include cash of $62,531, short term investment of $3,124,513, prepaid expenses of $100,367 and HST receivables of $69,145. The Company's current liabilities include accounts payable and accrued liabilities of $114,528. The accounts payable mainly include $53,273 consulting fees owed to consultants and management of the Company.

	As at October 31, 2011	As at July 31, 2011
Working capital (deficiency)	$3,242,028	$4,510,639
Deficit	$6,627,044	$6,213,515

The Company is required to meet the option payment and exploration expenditure requirement relating to the option agreement with Nortec (refer to the Mineral Properties and Deferred Exploration Expenditures section for details).

The Company will continue to require funds for future property acquisitions and exploration work as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Three Months Ended October 31,	
		2011	**2010**
Compensation benefits to key management	a	$ 39,000	$ 7,500
Transmax Investing	b	$ 13,500	$ 7,500
Baron Global Financial Canada Ltd.	c	$ 58,390	$ 15,000
Geolaurian Consultants Limited	d	$ 38,801	-
Stock-based payment	e	$124,291	-
Debt settlement	f	$6,000	-

a) On April 1, 2011, the Company entered into an amended consulting services agreement with Peter Hughes, a director of the Company, for providing corporate management services (the "Corporate Management

Services"). The term of agreement is 36 months beginning April 1, 2011 and the Company agreed to pay $6,500 plus applicable taxes per month for the Corporate Management Services provided. The consulting fee increased to $8,000 plus applicable taxes per month on October 1, 2011. For the period ended October 31, 2011, the Company has paid Corporate Management Services fees of $21,000 (2010 - $7,500).

On May 11, 2011, the Company entered into a consulting agreement with Steven Green, the Company's president, for providing geological consulting services (the "Geological Consulting Services"). The Company agrees to pay Mr. Green 6 monthly payments of $12,000 plus applicable taxes as compensation for the Geological Consulting Services. On August 1, 2011, the consulting agreement was amended. Under the terms on the amended consulting agreement, the Company will pay $6,000 per month for the Geological Consulting Services provided. For the period ended October 31, 2011, the Company has paid Geological Consulting Services fees of $18,000 (2010 – $Nil).

b) On April 1, 2011 the Company entered into a consulting services agreement with Transmax Investing, a company owned by David Eaton, a director of the Company, for providing corporate communication services (the "Corporate Communication Services"). The term of the consulting services agreement is 36 months beginning April 1, 2011 and the Company will pay $4,500 plus applicable taxes per month for the Corporate Communication Services provided.

c) On June 1, 2010, the Company entered into an advisory agreement with a Baron Global Financial Canada, a company affiliated to a director of the Company to provide accounting and administrative services (the "Advisory Services"). The term of agreement is 12 months and the Company will be charged $5,000 cash fee plus applicable taxes per month for the Advisory Services provided. The fees increased to $15,000 plus applicable tax per month commencing June 2011. A director of the Company is also the chairman of the consulting firm. For the period ended October 31, 2011, the Company has recorded consulting fees of $45,000 (2010 – $15,000) to the consulting firm. The Company has also recorded geological consulting fees of $12,375 (2010 – $Nil) and IT consulting fees of$1,015 (2010 - $Nil) to the consulting firm.

d) On October 3, 2011, the Company entered into a consulting agreement with Geolaurian Consultants Limited, a company owned by Ian Laurent, the CEO and director of the Company, for providing strategic planning and executive management services. The term of the agreement is 3 years beginning Oct 3, 2011 and the Company pays £11,650 per month for the management services provided.

e) On October 3, 2011, the Company granted 450,000 options to the CEO of the Company. Each option will entitle the purchase of one common share of the Company at market price of $0.46 for a period of five years from the date of issuance, subject to the Company's stock option plan and applicable securities rules and regulations.

f) On October 25, 2011, the Company issued 10,000 common shares at $0.335 per share to Barry Foster, the former CFO of the Company to settle the $6,000 payment due to the former CFO.

Related Party Payable

	October 31, 2011	July 31, 2011
Baron Global Financial Canada Ltd.	$ 14,996	$ 7,500
Geolaurian Consultants Limited	$ 19,071	$ -
Steven Green	$ 6,101	$ -
Transmax Investing	$ 25,000	$ 25,000

These transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the unaudited condensed interim financial statements for the period ended October 31, 2011.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies are fully disclosed in Note 2 of the unaudited condensed interim financial statements for the period ended October 31, 2011.

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

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

a) The provision for income taxes which is included in the consolidated statements of comprehensive loss and composition and quantification of deferred income tax assets and liabilities included in the consolidated statement of financial position.

b) The recoverability of exploration and evaluation assets in the consolidated statements of financial position.

c) the inputs used in accounting for share purchase option expense in the statements of comprehensive loss.

The estimated useful life and fair value of property and equipment which are included in the interim consolidated statements of financial position and the related depreciation included in the interim consolidated statement of comprehensive loss.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, short term investment, other receivable, and accounts payable and accrued liabilities. The Company designated its cash and cash equivalents and short term investment and as held-for-trading, its other receivable as receivables, and its account payable and accrued liabilities as other financial liabilities.

a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as at October 31, 2011 as follows:

	Fair Value Measurements Using					
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, October 31, 2011 $	Balance, July 31, 2011 $	Balance, August 1, 2010 $
Cash and cash equivalents	62,531	–	–	62,531	783,636	173,817
Short term investment	3,124,513			3,124,513	4,266,271	-
Accounts payable and accursed liabilities	114,528	–	–	135,848	688,159	48,108.

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments and loan payable.

b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate Risk

The Company has certain exploration expenditures and acquisition costs that are denominated in pounds sterling, and other operating expenses that are mainly in Canadian dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollars, the US dollars, and Pounds Sterling.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

At October 31, 2011 and July 31, 2011, the Company's US dollars and Pounds Sterling denominated monetary assets and monetary liabilities are as follows:

	October 31, 2011	**July 31, 2011**	**August 1, 2010**
Monetary Assets			
Cash and cash equivalents	-	-	-
	-	-	-
Monetary Liabilities			
Account payables	USD $ 5,389 GBP £ 11,693	USD $ 683,047 GBP £ -	USD $ - GBP £ -

The following table discusses the Company's sensitivity to a 10% increase or decrease in the Canadian dollar against the foreign currency denominated financial assets above. The sensitivity analysis measures the effect from recalculation of these items as at the balance sheet date by using adjusted foreign exchange rates:

		CDN appreciation by 10%		CDN depreciation by 10%
October 31, 2011				
Increase (decrease) comprehensive income	$	2,411	$	(2, 411)
July 31, 2011				
Increase (decrease) comprehensive income	$	63,520	$	(63,520)
August 1, 2010				
Increase (decrease) comprehensive income	$	-	$	-

d) Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settled financial liabilities.

Contractual maturity analysis is as follows:

	Less than 3 months	3 – 12 Months	1 – 5 Years	Longer than 5 years	Total
	$	$	$	$	$
October 31, 2011					
Account Receivable	14,687	54,458	-	-	69,145
Trade Payables	89,528	20,000	5,000	-	114,528
July 31, 2011					
Account Receivable	51,032	3,426	-	-	54,458
Trade Payables	663,159	20,000	5,000	-	688,159
August 1, 2010					
Account Receivable	2,519	-	-	-	2,519
Trade Payables	37,141	-	-	-	37,141

e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

f) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash and short term investments at banks carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first-time adopters of IFRS.

IFRS Exemption options
IFRS 2 Share-based Payment has not been applied to equity instruments that were granted on or before November 7, 2002, nor has it been applied to equity instruments granted after November 7, 2002 that vested by the transition date.

IFRS Mandatory exceptions
Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any differences in accounting policies.

Reconciliations of Canadian GAAP to IFRS
IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have an effect on the total operating, investing and financing cash flows.

The following represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted for equity and comprehensive:

Under IFRS, "Reserves" has taken the place of "Contributed Surplus" and as such the Company has examined its contributed surplus account and separated those components relating to share purchase warrants and stock options.

The accounting policies in Note 2 have been applied as follows:

- in preparing the condensed interim financial statements for the three months ended October 31, 2011;
- the comparative information for the three months ended October 31, 2010;
- the statement of financial position as at July 31, 2011; and
- the preparation of an opening IFRS statement of financial position on the Transition Date, August 1, 2010.

In preparing the opening IFRS statements of financial position, the Company adopted the accounting policies in Note 2 and applied them towards the statements of comprehensive loss and changes in equity for the three months ended October 31, 2011 and the financial statements for the period ended July 31, 2011, the transition has had no effect to the amounts reported previously in financial statements prepared in accordance with Canadian GAAP.

FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the October 31, 2011 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

a) IFRS 9, Financial Instruments

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety with IFRS 9, Financial Instruments ("IFRS 9") in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39, and is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. In November 2009 and October 2010, phase 1 of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's

business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions.

The IASB has issued exposure drafts addressing impairment of financial instruments, hedge accounting and the offsetting of financial assets and liabilities, with comments due in March and April of 2011. The complete IFRS 9 is anticipated to be issued during the second half of 2011. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

b) IFRS 13, Fair Value Measurements

IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements, expect in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted. The Company is currently assessing the impact of the standards on its condensed consolidated financial statements.

The Company anticipates that the application of these standards, amendments and interpretations will have no material impact on the results and financial position of the Company.

EVENTS AFTER THE REPORTING PERIOD OCTOBER 31, 2011

On November 1, 2011, the Company appointed a new director. He is also appointed as a member and the chair of the audit committee.

On November 30, 2011, 300,000 options were forfeited in relation to the termination of a market communication consulting agreement on October 31, 2011.

OTHER MD&A DISCLOSURE REQUIREMENTS

Summary of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this report is as follows:
(1) Authorized: Unlimited common shares without par value.
(2) As at the date of this MD&A, the Company has 38,441,183 common shares, 8,503,551 warrants, and 2,500,000 options issued and outstanding.

Additional Disclosure for Junior Issuers

The Company has expensed the following material cost components:

	Period ended October 31, 2011 $	Period ended October 31, 2010 $
Consulting Fees	185,084	33,680
Professional Fees	15,539	3,136
Share-Based Payments	165,502	-
Website Maintenance	12,633	180

Consulting fees incurred during the period ended October 31, 2011 totalling $185,084 (2010 - $33,680) were mainly paid to the directors, officers, and consultants of the Company for providing management, administrative, geological, investor relation, and corporate communication services. The transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

For the period ended October 31, 2011, $15,539 in professional fees was recorded compared to $3,136 in professional fees in the period ended October 31, 2010 since additional legal fees were incurred during this year to finalize mineral property agreements and the Company was increase its corporate activities during the period.

Share-based payments of $124,291 (2010 - $Nil), a non-cash charge, are the estimated fair value of the vesting portion of stock options granted during the period. The Company used the Black-Scholes option pricing model for all fair value calculations. Furthermore, $50,005 of share-based payments, relating to a consulting agreement signed on March 30, 2011, was recognized. 300,000 options were granted as part of the consultant's remuneration for the service period of 7 months. The Company recorded $50,005 of share-based payments for three months of services provided during the period October 31, 2011. The Company also has reversed $8,794 of share-based payments in relation to the options that were forfeited due to the termination of the Investor Relation Agreement signed on May 11, 2011.

During the period ended October 31, 2011, the Company recognized website maintenance of $12,633 as compared to $180 recognized in the period ended October 31, 2010. The increase is mainly due an increase in marketing activities.

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of the property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time.

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk

- Financial markets
- Foreign jurisdictions

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

ADDITIONAL INFORMATION

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.