OTTERBURN VENTURES INC.

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

JANUARY 31, 2011

BACKGROUND

The following information, prepared as of March 31st, 2011, should be read in conjunction with the unaudited financial statements of Otterburn Ventures Inc. (the "Company") for the quarter ended January 31, 2011 as well as the audited financial statements of the Company for the year ended July 31, 2010. The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

Certain statements contained in the foregoing management discussion & analysis (the "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" and formerly known as the CNQ) beginning February 4, 2008 under the trading symbol "OTBN". On September 25, 2008, under the then CNQ policy, the Company's trading symbol was changed to "OTB".

The Company is a junior mineral exploration company engaged in the acquisition and exploration of strategic mineral properties. The Company is currently evaluating mineral properties that may have the potential for further examination and development.

CHANGES IN MANAGEMENT

During the quarter ended January 31, 2011, the Company continued to increase its operations and strengthen its management team. On December 10, 2010, Mr. Savio Chiu was appointed a director of the Company.

The Company's Board of Directors now consists of following: Robert Cairns, David Eaton, Peter Hughes and Savio Chiu.

OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the unaudited financial statements for the quarter ended January 31, 2011 and audited financial statements for the year ended July 31, 2010.

As at January 31, 2011, the Company had cash of $18,903 (July 31, 2010 - $173,817). Total current assets amount to $29,048 (July 31, 2010 - $176,336). The decrease in total current assets is mainly due to payments of various operating expenses during the last six months, including consulting fees related to administration and management services provided by a consultant and a director of the Company and the fee related to the termination of the Company's Suskwa option agreement.

Current liabilities at January 31, 2011 total $56,468 (July 31, 2010 - 37,141). Shareholders' equity is comprised of share capital of $1,293,367 (July 31, 2010 - $1,293,367), contributed surplus of $307,844 (July 31, 2010 - $307,844) and a deficit of $1,627,726 (July 31, 2010 – $1,460,926) for a net amount of -$26,515 (July 31, 2010 - $140,285). The decrease in shareholder's equity is due to the net loss incurred during the quarter ended January 31, 2011.

Working capital deficit, which is current assets less current liabilities, is $27,420 at January 31, 2011 compared to a working capital of $139,195 at July 31, 2010.

During the quarter ended January 31, 2011, the Company reported a net loss of $111,997 ($0.007 basic and diluted loss per share) compared to a net loss of $20,689 ($0.002 basic and diluted loss per share) reported for the quarter ended January 31, 2010.

RESULTS OF OPERATIONS

Current Quarter

During the current quarter, the Company incurred a net loss of $111,997 compared to $20,689 in the same period last year. The net loss of $111,997 was mainly due to consulting fees of $31,913 (January 31, 2010 - $Nil) related to administration and management services provided by directors, officers and a consultant of the Company; professional fees of $8,772 (January 31, 2010 - $6,304) related to corporate matters; project investigation fees of $61,729 (January 31, 2010 - $Nil) related to seeking potential mineral properties; transfer agent and filing fees of $6,212 (January 31, 2010 - $5,195) and travel and entertainment $1,863 (January 31, 2010 - $1,186).

During the current quarter, the consulting fees of $31,913 have significantly increased compared to the same period last year of $Nil. This was mainly due to an increase in the number of consulting agreements the Company has entered into during the fiscal year ended 2010. During the current quarter, the Company has two consulting services agreements with two directors, effective on June 1, 2010, which resulted the recording of $15,000 of the $30,000 consulting fees. The remainder balance of $15,000 was recorded for the financial consulting services that a consultant provided to the Company. The Company also recorded a consulting fee of $1,913 for the geological services provided by a consultant to the Company.

Year to Date

During the current period, the Company incurred a net loss of $166,800 compared to $42,770 in the same period last year. The net loss of $166,800 was mainly due to consulting fees of $65,593 (January 31, 2010 - $Nil) related to administration and management services provided by directors, officers and a consultant of the Company; professional fees of $11,908 (January 31, 2010 - $19,613) related to corporate matters; project investigation fees of $61,729 (January 31, 2010 - $Nil) related to seeking potential mineral properties; transfer agent and filing fees of $9,031 (January 31, 2010 - $8,608) and travel and entertainment $4,620 (January 31, 2010 - $1,186).

During the current period, the consulting fees of $65,593 have significantly increased compared to the same period last year of $Nil. This was mainly due to an increase in the number of consulting agreements the Company has entered into during the fiscal year ended 2010. During the current period, the Company has two consulting services agreements with two directors, effective on June 1, 2010, which resulted the recording of $30,000 of the $60,000 consulting fees. The remainder balance of $30,000 was recorded for the financial consulting services that a consultant provided to the Company. The Company also recorded a consulting fee of $5,593 for the geological services provided by a consultant to the Company.

Due to the Company being in its 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 July 2010 will mainly be used for general and administrative expenses and expenses for evaluating mineral properties that may have the potential for further examination and development.

As at January 31, 2011, the Company has cash of $18,903 (July 31, 2010 - $173,817), GST/HST receivables of $10,145 (July 31, 2010 - $2,519), and accounts payable and accrued liabilities of $56,468 (July 31, 2010 - $37,141) for total working capital deficit of $27,420 (July 31, 2010 – working capital $139,195).

SUMMARY OF QUARTERLY RESULTS

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

	2011		2010				2009	
	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net Loss	(111,997)	(54,803)	(482,331)	(3,996)	(21,342)	(22,081)	(89,514)	(74,871)
Basic and diluted loss per share	(0.007)	(0.004)	(0.411)	(0.000)	(0.002)	(0.002)	(0.008)	(0.007)

Net Loss

The increase in quarterly losses for Quarter 2 in fiscal 2011 were primarily the result of recognizing significant amounts of consulting fees, professional fees, project investigation fees and transfer agent fees and filling fees.

The increase in quarterly losses for Quarter 1 in fiscal 2011 were primarily the result of recognizing significant amounts of consulting fees, professional fees, write-off of mineral property and deferred exploration expenditures, and transfer agent fees and filling fees.

Overall, consulting fees, professional fees and filing transfer agent fees and filling fees the major components that caused variances in net losses from quarter to 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 Suskwa Option Agreement, as amended by agreement dated November 17, 2008, requires total payments of $105,000 and the issuance of 600,000 common shares to CJL Enterprises Ltd. (the "Optionor", owned by Lorne Warren, a former director of the Company) over a period of four years. The Optionor retains a 2% Royalty. Exploration expenditures of $500,000 are required.

On March 28, 2008, the Company issued 100,000 common shares to the Optionor at a deemed price of $0.23 per share. On November 28, 2008, the Company issued 300,000 common shares to the Optionor at a deemed price of $0.10 per share.

The assignor, Canew Development Corp. (owned by James Newton, a former director of the Company), received $50,000 and 100,000 common shares from the Company on March 31, 2008 and March 28, 2008, respectively. The shares were issued at a deemed value of $0.23 per share.

The Optionor will receive an advance royalty of $20,000 and payable on September 30 of each year, commencing on September 30, 2011. The advance royalties will be credited to the royalty due on commencement of commercial production. Within 15 business days after the commencement of commercial production, the Company shall issue 200,000 common shares to the Optionor and pay 2% Royalty on minerals from the Suskwa Mineral Claims. 1% of the Royalty may be purchased at any time for a purchase price of $1,000,000.

On October 27, 2009, the Company entered into an amendment with the Optionor of Suskwa property to defer the cash portion of the property payment of $40,000 due on September 30, 2009 to September 30, 2010.

On November 20, 2009, the Company issued 100,000 common shares to the Optionor at a deemed price of $0.045 per share.

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, 2010	$50,000	100,000	$250,000

* Paid by assignor.

During the year ended July 31, 2010, the Company received a B.C. Mineral Exploration tax credit of $100,936.

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 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. The Company wrote off this amount at the quarter ended October 31, 2010.

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 six months ended January 31, 2011 resulted in a net cash decrease of $154,914. As at January 31, 2011, the Company's current assets include cash of $18,903 and HST receivables of $10,145 and the Company's current liabilities include accounts payable and accrued liabilities of $56,468. The current liabilities and accounts payable mainly include $1,500 of travel and meal expenses, $20,000 consulting fees owed to a director and $16,800 owned to a consultant.

	As at January 31, 2011	As at July 31, 2010
Working capital	($27,420)	$139,195
Deficit	$1,627,726	$1,460,926

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

For the period ended January 31, 2011, the Company has paid management consulting fees of $7,500 (January 31, 2010 - $Nil) to the director of the Company for providing corporate management services (the "Management Services") and accrued $7,500 (January 31, 2010 - $Nil) to a company owned by a director of the Company for providing corporate communication services (the "Corporate Communication Services").

For the period ended January 31, 2011, the Company has paid consulting fees of $7,500 (January 31, 2010 - $Nil) and accrued $7,500 (January 31, 2010 - $Nil) to a consulting firm affiliated to a director of the Company.

On June 1, 2010, the Company entered into a consulting services agreement with the Company's CEO and director for providing corporate Management Services. The term of agreement is 24 months beginning June 1, 2010 and the Company will pay $2,500 plus applicable taxes per month for the management services provided.

On June 1, 2010, the Company entered into a consulting services agreement with TransMax Investing, a company owned by a director of the Company, for providing Corporate Communication Services. The term of agreement is 24 months beginning June 1, 2010 and the Company will pay $2,500 plus applicable taxes per month for the Corporate Communication Services provided.

On June 1, 2010, the Company entered into an advisory agreement (the "Advisory Agreement") with a consulting firm 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 cash fee will increase to $10,000 plus applicable tax per month commencing with the calendar month immediately following the month in which the Company successfully completed a private placement greater or equal to $500,000. A director of the Company is also the chairman of the consulting firm. In addition, the Company also agreed to grant 300,000 stock options where each option will entitle the purchase of one common share of the Company at market price 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. As of January 31, 2011, the options have not been granted.

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 financial statements for the quarter ended January 31, 2011.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies are fully disclosed in Note 2 of the financial statements for the quarter ended January 31, 2011.

Recent Accounting Pronouncements

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations".

In January 2009, the CICA issued EIC Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The EIC requires the Company to take into account the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. The abstract applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2010. There was no impact on the adoption of this standard.

In December 2009, the CICA issued EIC 175, Multiple Deliverable Revenue Arrangements, replacing EIC 142, Revenue Arrangements with Multiple Deliverables. This abstract was amended to: (1) provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) require, in situations where a vendor does not have vendor specific objective evidence ("VSOE") or third-party evidence of selling price, that the entity allocate revenue in an arrangement using estimated selling prices of deliverables; (3) eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method; and (4) require expanded qualitative and quantitative disclosures regarding significant judgments made in applying this guidance.

The accounting changes summarized in EIC 175 are effective for fiscal years beginning on or after January 2011, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application. If the Abstract is adopted early, in a reporting period that is not the first reporting period in the entity's fiscal year, it must be applied retroactively from the beginning of the Company's fiscal period of adoption

The Company is currently assessing the future impacts of these amendments on its financial statements and has not yet determined the timing and method of its adoption.

The Canadian Accounting Standards Board ("AcSB") has set January 1, 2011 as the date for publicly listed companies to adopt International Financial Reporting Standards ("IFRS"). Accordingly, IFRS compliant financial statements for the Company will be required for the first quarter of 2012. Comparative figures presented in these financial statements are also required to comply with IFRS.

The Company's conversion plan to transition from Canadian GAAP to IFRS consists of three phases:

- Phase 1 (scoping and diagnostic) – A preliminary diagnostic review which included the determination, at a high level, of the financial reporting differences and options under IFRS and the key areas that may be impacted with completion expected in the first half of fiscal year 2011.

- Phase 2 (Impact, analysis, quantification and evaluation) – In this phase, the Company will perform a detailed assessment and technical analysis of each area identified from Phase 1 that will result in the conclusion of IFRS transitional adjustments, decisions on accounting policy choices and the drafting of

accounting policies. The Company has started this second phase with completion expected in the second half of fiscal year 2011.

- Phase 3 (Implementation phase) – This phase includes the collection of financial information necessary to compile IFRS compliant financial statements and the preparation of the opening balance sheet as at August 1, 2011 and will be carried out in the second half of fiscal year 2011.

Based on the review in Phase 1 and Phase 2, a number of key accounting areas were identified where IFRS differs from current GAAP, which are expected to have an impact on the Company's financial statements. These key areas are explained below. It would appear that IFRS will require more extensive disclosure and analysis of balances and transactions in the notes to the financial statements. The Company's review has not identified significant impact on its accounting processes, financial reporting systems and controls.

IFRS 1, First-time Adoption of IFRS

IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective applications of IFRS. The purpose of the options is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction. We have analyzed the various exemptions available and are working towards implementing those most appropriate in our circumstances.

Mineral Properties, Exploration and Development Costs

IFRS currently allows exploration and evaluation expenses to be either capitalized or expensed. The Company expects to continue to capitalize its exploration and evaluation expenses.

Impairment of Mineral Properties

Canadian GAAP provides for a 2 step test with no impairment being required if the undiscounted future expected cash flows relating to an asset are higher than the carrying value of that asset. Under IFRS, the undiscounted cash flows are not considered and an impairment is recorded when the recoverable amount (defined as the higher of 'value in use' and 'fair value less costs to sell') is below the asset's carrying value.
The Company will be required to adopt the discounted future cash flow approach with respect to impairment analysis of its mineral properties. Impairment under this approach may generate a greater likelihood of write-down in the future.

Write-down to net realizable value can be reversed under IFRS if the conditions of impairment cease to exist. This difference in approach between Canadian GAAP and IFRS could result in potentially significant volatility in earnings.

Asset Retirement Obligations

IFRS defines asset retirement obligations ("ARO") as legal or constructive obligations. Under IFRS, ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates. Under Canadian GAAP, ARO is calculated using a current credit-adjusted, risk-free rate for upward revisions and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rate. The change in calculation of ARO and the discounting process will likely generate some changes in the other value of ARO on transition.

Stock-Based Compensation

Under IFRS, each instalment is to be treated as a separate share option grant with graded-vesting features, forfeitures are to be estimated at the time of grant and revised if actual forfeitures are likely to differ from previous estimates and options granted to parties other than employees are measured on the date the goods or services received. The concept of employees and others providing similar services under IFRS is a broader concept under IFRS. The Company is currently recording its stock-based compensation expenses on a straight line basis over the vesting period and forfeitures as they occur. The transition to IFRS would likely result in more variability in the compensation expenses.

Other IFRS Considerations

The conversion to IFRS will impact the way the Company presents its financial results. The first financial statements prepared using IFRS, the Company's interim financial statements for the three months ended October 31, 2011, will include extensive notes disclosing transitional information and disclosure of all new, IFRS-compliant and accounting policies.

The Company has obtained an understanding of IFRS from training from its consultant who has experience in preparing financial statements under IFRS.

The Company has evaluated the impact of the conversion on its accounting systems and has determined that the impact should not be significant.

In addition, the Company will evaluate its internal and disclosure control processes as a result of its conversion to IFRS, assess the impacts of adopting IFRS on its contractual arrangements to identify any material compliance issues such as debt covenants and other commitments and consider the impacts the transition will have on its internal planning process and compensation arrangements. Management is currently undergoing this process.

The Company continues to monitor IFRS standards development as issued by the International Accounting Standard Board and the regulators which may affect the timing, nature and disclosure of the Company's adoption of IFRS.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Areas requiring significant management estimates relate to the determination of impairment of mineral properties, expected tax rates for future income tax recoveries, fair value of stock-based payments and useful lives for amortization of long-lived assets.

CHANGES IN ACCOUNTING POLICIES

Stock-based Compensation

The Company changed its accounting policy for awards of stock based compensation granted to the Company's officers, directors, emplote3es and consultants with a graded vesting schedule. Prior to August 1, 2010, the fair value of stock options with a graded vesting schedule was recognized as compensation expense and a credit to Contributed surplus on a straight line basis over the applicable vesting period. Effective August 1, 2010, the fair value of stock options with a graded vesting schedule is determined based on different expected lives for the options that vest each year, as it would be if the award is viewed as several separate awards, each with a different vesting date, and it is accounted for on that basis. The new accounting policy provides more reliable and relevant information because it more closely reflects the substance of the expected lives of each option or unit of award.

The impact of the change in accounting policy for awards granted to the Company's officers, directors, employees and consultants with a graded vesting schedule was immaterial to the current or any prior periods and therefore was not adjusted

FINANCIAL INSTRUMENTS

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

Fair value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in CICA Handbook section 3862 – Financial Instruments – Disclosures. For the six months ended January 31, 2011, the fair value of cash and cash equivalents was measured using Level 1 inputs.

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The estimated fair values of cash and cash equivalents, other receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

Financial risk management

The Company's activities expose it to a variety of financial risks including credit risk, interest rate risk and liquidity risk.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash and cash equivalents that might be raised from equity financings. As at January 31, 2011, the Company had a cash balance of $18,903 (July 31, 2010 - $173,817), and current liabilities of $56,468 (July 31, 2010 - $37,141). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. In order to meet its on-going obligations, the Company will require additional equity financing.

OTHER MD&A DISCLOSURE REQUIREMENTS

Disclosure of Outstanding Share Data

The following information relates to share data of the Company as at the date of this MD&A.

Share capital

As at the date of this MD&A, the Company had one class of share capital, being common shares without par value, of which 15,655,000 were issued and outstanding.

Warrants

As at the date of this MD&A, the Company has no warrant outstanding.

Options

As at the date of this MD&A, the Company has no option outstanding.

Additional Disclosure For Junior Issuers

The Company has expensed the following material cost components:

	Quarter Ended January 31, 2011 $	Quarter Ended January 31, 2010 $
Consulting Fees	31,913	-
Professional Fees	8,772	-
Project Investigation Fees	61,729	-

Consulting fees incurred during the quarter ended January 31, 2011 totalling $31,913 (January 31, 2010 - $Nil) were mainly paid to the consultants of the Company as a result of contracts entered into in fiscal 2010 for providing management and administrative consulting 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.

Project investigation fees incurred during the quarter ended January 31, 2011 totalling $61,729 (January 31, 2010 - $Nil) were mainly paid for the expenses incurred when the Company was actively seeking new mineral properties with the potential to add significant value to the Company.

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.

SUBSEQUENT EVENTS

On March 21st, 2011, the Company signed four letter of intents with the Lake Victoria Mining Company Inc. proposing the right for the Company to acquire up to an undivided 70% interest in the following four projects, North Mara Gold Project, Kalemela Gold Project, Singida Gold Project and Geita Gold Project located in Lake Victoria Greenstone Belt in Tanzania, East Africa.

On March 31st, 2011, the Company announced a non-brokered private placement of up to 11,111,111 units at a price of $0.45 per unit, for gross proceeds of up to $5,000,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share of the Company at a price of $0.65 per share for a period of two years from the closing date of the private placement.

ADDITIONAL INFORMATION

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