BAMA GOLD CORP.
(Formerly – Northrock Resources Inc.)

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THE ATTACHED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

Management Discussion and Analysis as of December 23, 2011

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See notes to the financial statements regarding going concern, commitments, contingencies, legal matters, and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the period ended September 30, 2011; and the audited consolidated financial statements for the period ended June 30, 2011; together with the corresponding notes of Bama Gold Corp. (Formerly – Northrock Resources Inc.) (the "Company"). This MD&A covers the period ended September 30, 2011 and the subsequent period up to the date of filing.

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, the financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that the financial report be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2011. However, the interim financial report, being the first IFRS financial report, provides selected significant disclosures that are required in the annual financial statements under IFRS. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS are provided in Note 14 of the interim financial report. All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

Corporate Overview

Bama Gold Corp. (the "Company) was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Bama Gold Corp became effective December 13, 2011. The Company's registered office is located at Suite 1450 - 701 West Georgia Street, Vancouver, British Columbia.

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The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves.

The Company's future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions. The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

Overall Performance

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at September 30, 2011, the Company has accumulated a deficit of $7,349,134 (2010 - $6,395,871) since inception.

Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company's activities would reveal this. And there is nothing to suggest that these trends will change.

The company's sole activity is its search for mineral resources.

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Selected Financial Data [Annual]
Canadian GAAP Presentation
(Expressed in Canadian Dollars)

		Year ended		
		June 30, 2011	**June 30, 2010**	**June 30, 2009**
Operating Revenue	$	0	0	0
Net income (loss)	$	(653,140)	(1,133,909)	(3,874,341)
Income (Loss) per share	$	(0.08)	(0.19)	(1.48)
Share capital per Canadian GAAP	$	6,289,668	5,060,893	4,992,894
Common shares issued		12,698,334	5,892,780	5,722,780
Weighted average shares outstanding per Canadian GAAP		8,223,449	5,852,259	2,623,378
Total Assets	$	1,160,683	377,209	532,542
Net Assets (liabilities)	$	811,619	109,741	358,433
Cash Dividends Declared per Common Shares	$	0	0	0
Exchange Rates (Cdn$ to U.S.$) Period Average	$	0.9995	0.9471	0.9271

Operations Overview

Effective May 1, 2008 the Company commenced operations in the exploration for mineral resources on two groups of properties whose rights were purchased from its then parent company.

On Aug. 1, 2008, the Company filed a Form 2B listing application for its common shares and share purchase warrants with the TSX Venture Exchange. On November 21, 2008 the Company's common shares and warrants were listed for trading on the TSX Venture Exchange; and the Company was deemed to be a reporting issuer.

During the period ended September 30, 2011, reclamation work was performed on the Bathurst Inlet Property and Turner Lake Property and the reclamation bonds totalling $150,000 were released ($75,000 for each property).

Turner Lake Property

On May 1, 2008 the Company entered into an Assignment Agreement with its then parent company, Rockgate Capital Corp. ("Rockgate"), whereby Rockgate assigned all of its' right and title to an Option Agreement dated November 8, 2007 between Rockgate and Trade Winds Ventures Inc. ("Trade Winds") regarding the Turner Lake Property. Under the Trade Winds Option the Company can earn up to a 75% interest in the Turner Lake Gold property located near Bathurst Inlet, Nunavut; an initial 65% interest in the project can be earned by spending $1,000,000 in exploration expenditures by March 19, 2009 (incurred) and by Rockgate's issuance of 150,000 common shares of Rockgate (issued); an additional 10% interest could be earned by spending an additional $500,000 (incurred) on exploration prior to

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March 19, 2010 and by Rockgate's issuance of an additional 250,000 shares (issued); and by the Company's issuance of 16,667 shares (issued) to Trade Winds. In consideration of the assignment the Company issued to Rockgate 34,200 units of the Company's capital stock valued at $2.50 per unit; wherein, each unit was composed of one common share and one warrant to purchase an additional common share at $3.75 until expiry on September 30, 2010.

Effective March 19, 2009 the Company exercised its option to acquire a 75% interest in the Turner Lake Gold property.

During the year ended June 30, 2010, the Company executed and completed an agreement with joint venture partner Trade Winds to acquire the remaining 25% interest in the Turner Lake property. As consideration for the purchase, the Company issued 170,000 common shares of the Company valued at $68,000 and granted a 1% Net Smelter Royalty to Trade Winds. The Company can acquire Trade Winds' NSR for $1.25 million. One of the four claims [Jam 1] comprising the Turner Lake property is subject to an additional 1% NSR held by a third party.

Exploration Activities

The Turner Lake Property consists of the HA 1-4 mineral claims which overlie an area of approximately 29.0 sq km containing three known mineral occurrences known as the Main Gold Showing, Turner East Gold and Nickel Knob Showing, all of Archean age.

Historic exploration activity at Turner Lake focused on geological mapping, limited airborne and ground-based geophysics, extensive trenching, and a total of 21 diamond drill holes. Detailed chip, channel, muck, and bulk sampling have effectively mapped the distribution of gold and true thickness throughout the surface exposure of the mineralized trend, describing at least 3 high-grade "shoots" of gold mineralization.

In 2008 Bama Gold completed an NQ diamond drilling program totaling 21 holes in 2,894.04 metres from June 23 to August 17. On the Turner Lake Main Gold Showing, 16 diamond drilling holes undertaken, two were abandoned in overburden before reaching target depth for a total of 2,284.32 metres completed. The remaining 5 holes tested the Nickel Knob Showing in 609.72 metres. Semi massive to massive sulphide mineralization was discovered in the drill core up to 14 metre core lengths. The massive sulphide consists mainly of pyrrhotite, pyrite, chalcopyrite, pentlandite with minor galena, sphalerite and arsenopyrite mineralization. Assay results confirmed high concentrations of copper, nickel, silver with lesser lead, zinc, gold and traces of platinum and palladium.

In April 2009, the Company completed a fuel haul of 25,000 litres of diesel and Jet A fuel from Yellowknife to Bathurst Inlet in anticipation of the 2009 exploration season. Crews were mobilized to Bathurst Inlet in mid- July to set up operations and exploration work was begun. Bama Gold's 2009 diamond drilling program totaling 9 holes in 1,181.72 metres was conducted on the Turner Lake Property Main Gold showing from July 26 to August 04.

The geological team concluded that the drill program has confirmed that the Main gold zone has good continuity along strike and down-dip and, as found in all previous drilling, significant gold

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mineralization occurring within a brecciated, meta-greywacke enclosed within ultramafic volcanics. Visible gold was noted in eight of the nine holes completed.

Due to financial constraints and a lack of working capital, the planned summer 2010 exploration program was delayed until 2011. The fuel haul in anticipation for 2010 work was completed and that fuel was used in the 2011 work program.

The summer 2011 exploration program was completed between July and September 2011 and encompassed detailed soil geochemical sampling and analysis over the Main Gold Zone and further mapping of the Turner Lake property. The purpose of the soil survey was firstly to identify if soil geochemistry surveys can identify the location of the gold zone and secondly what elements represent its soil geochemical signature. If successful then more extensive soil sampling surveys may be undertaken over the property in areas with the potential to host gold mineralization based on previous geological mapping. Results of the 2011 program are pending at this time.

Bathurst Inlet Property

On May 1, 2008 the Company entered into an Assignment Agreement with its then parent company, Rockgate, whereby Rockgate assigned all of its' right and title to an Option and Agreement of Purchase and Sale dated May 3, 2007 between Rockgate and Bathurst Inlet Developments (1984) Ltd. regarding the Bathurst Inlet Property. In consideration of the Assignment Agreement the Company issued to Rockgate 3,000,000 units of the Company's capital stock valued at $0.50 per unit; wherein, each unit was composed of one common share and one warrant to purchase an additional common share at $0.75 per share until expiry on September 30, 2010. Subsequent to the assignment transaction closing, the Company exercised the purchase option under the underlying May 2007 agreement. To conclude the purchase the Company issued a limited recourse promissory note in the amount of $1,460,000. Pursuant to the note, the balance of the payments due to the vendors were payable over a six-year period and the vendor's recourse in the event of a default under the note will be limited to the recovery of the Bathurst Inlet claims. Periodic payments under the note were to be made by the Company from its working capital.

Based upon the results from the 2008 exploration season, in May 2009 the Company decided to discontinue its ownership of the Bathurst Inlet property. Under the terms of the promissory note the mineral rights to the property were allowed to revert to Bathurst Inlet Developments (1984) Ltd.

As a result of the above, with effect as of June 30, 2009, the Company recorded an impairment of its Bathurst Inlet property of $1,807,730; and recorded the termination of the Note payable less discount, thus reducing the carrying value to its estimated net recoverable amount of $nil. Concurrently the Company removed the promissory note obligation from its balance sheet.

Management had estimated that the amount of its site restoration obligation for the Bathurst property as at June 30, 2011 totals $20,000. A site reclamation obligation of this amount had been recognized as a liability. As the mineral property to which the costs relate has been written off in previous years, the reclamation costs are recorded in the statement of operations, comprehensive loss and deficit.

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Manalo/Mansaya Property

Pursuant to an Assignment Agreement dated as of September 9, 2011, subject to certain conditions, the Company agreed to acquire all of the rights of the Optionee in an Option Agreement dated February 20, 2009 between Delta Exploration Inc. ("Optionor") and Appleton Exploration Inc. ("Optionee"); in consideration for the Assignment the Company agreed to pay to Appleton $250,000 and to issue 1,000,000 common shares on receipt of all necessary consents and regulatory approvals. Under the Option Agreement, the Optionee has the right to earn a 100-per-cent interest in the Manalo gold project, located in the Republic of Mali, Africa, subject to the retention of a 2-per-cent net smelter return (NSR) royalty by Delta. The Optionee may earn an initial 65-per-cent undivided interest in the Manalo gold project by paying $50,000 (U.S.) (paid), issuing 1.5 million units comprising common shares and share purchase warrants of Appleton (issued), and incurring exploration expenditures on the Manalo gold project totaling $2.5-million (U.S.) prior to April 1, 2012, of which $2,037,000 (U.S.) has been incurred to date. The Optionee may earn the remaining 35-per-cent interest in the Manalo gold project by making a one-time cash payment of $1.5-million to Delta. At Delta's option, Delta may elect to receive the payment in the equivalent value of units issued by the Optionee. The Optionee must also deliver an independent feasibility study or arrange for production financing prior to April 1, 2017. The Optionee has the option to purchase one-half of the NSR (1 per cent) for $1-million within the first 12 months of production.

Closing of the Assignment Agreement was conditional upon:
(i) the Optionee receiving Delta's consent to an extension of the April 1, 2012 exploration expenditure completion date, to April 1, 2013; and
(ii) all necessary consents and regulatory approvals of the Assignment being received prior to November 30, 2011.

Delta Exploration Inc. is a wholly owned subsidiary of Rockgate Capital Corp., a Toronto Stock Exchange-listed company which has directors in common with the Company.

Effective November 1, 2011 Appleton's interests in the Manalo/Mansaya property as "Optionee" were assigned to Bama Gold. In conjunction with the assignment, Delta consented to an extension of the April 1, 2012 exploration expenditure completion date, to April 1, 2013. In consideration for the Assignment the Company paid to Appleton $250,000 and issued 1,000,000 common shares.

Results of Operations
Fiscal period ended September 30, 2011
During the period ended September 30, 2011, the Company incurred expenses of $461,945 [2010: $140,898]. The bulk of the expenses in the current period were related to exploration and drilling, which rose to $248,040 versus $31,902 in the corresponding 2010 period. The non-cash charge of $106,040 for share-based compensation in 2011 reflected a grant of stock options in the period and an increase from the $nil figure in 2010. In the period the Company generated interest income of $923 [2010: $nil] on its cash reserves; and recorded a recovery of the $20,000 expense previously accrued for reclamation costs.

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General administrative expenses and management fees were generally consistent with the previous period. The Company will use its available resources to pursue its operations at the Manalo/Mansaya and Turner Lake properties as applicable.

Fiscal year ended June 30, 2011
During the year ended June 30, 2011 the Company incurred expenses of $654,115 [2010: $1,137,057] which in 2011 were primarily composed of head office expenses and exploration expenses related to preparation for the 2011 summer exploration program. In the 2010 period an exploration and drilling program were completed; and fees related to the professional services required to complete the acquisition of Trade Winds interest in Turner Lake; and the accounting work required and meet regulatory requirements.

Fluctuations in Results
During the period the Company expended significantly more on exploration and drilling, $248,040 versus $31,902 and recorded a slight reduction in professional fees, $5,035 versus $2,875. The exploration increase was primarily due to the fact that the Company did engage in an active exploration program during the period; professional fee reductions were due to a decrease in the level of corporate activity, and the fact that no acquisitions were undertaken in the period.

Liquidity and Capital Resources
As at September 30, 2011 the Company had accumulated losses totaling $7,349,134 versus $6,908,113 at the June 30, 2011 year-end; and accrued liabilities of $332,503 compared with $329,064 at the June 30, 2011 year-end. As at September 30, 2011 the Company had working capital of $181,256 compared with $366,237 as at June 30, 2011.

As at September 30, 2011 the Company had cash and equivalents on hand of $587,226.

Subsequent to the end of the period the Company completed a non-brokered private placement of eight million units at $0.125 per unit for proceeds of $1-million on November 10, 2011. Each unit consisted of one common share of the Company and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share in the capital of the Company at an exercise price of $0.165 per share until expiry on November 10, 2012. The net proceeds from the private placement were added to the Company's working capital. A finder's fee of $20,325 was paid in connection with the private placement.

During the fiscal 2011 year the Company completed two non-brokered private placements. The proceeds of the private placements will be used for operations at the Bama Gold's Turner Lake project and for general corporate purposes. The first private placement consisted of 1,250,000 flow-through units at $0.20 per unit for proceeds of $250,000, where each flow-through unit was comprised of one flow-through common share plus one common share purchase warrant. Each warrant is exercisable into one common share with an exercise price of $0.24 per share until expiry on February 25, 2012. The second private placement consisted of 5,555,555 units at $0.18 per unit for proceeds of $1-million, where each unit was comprised of one common share plus one common share purchase warrant. Each warrant is exercisable into one common share with an exercise price of $0.24 per share until expiry on February 25, 2012.

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Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended							
		9/30/2011	**6/30/2011**	**3/31/2011**	**12/31/2010**	**9/30/2010**	**6/30/2010**	**3/31/2010**	**12/31/2009**
Presentation type		**IFRS**	**GAAP**	**GAAP**	**GAAP**	**GAAP**	**GAAP**	**GAAP**	**GAAP**
Net Revenues	$	-	-	-	-	-	13	616	2,455
Comprehensive loss	$	(441,022)	(102,487)	(252,945)	(156,810)	(140,898)	(157,870)	(139,426)	(153,006)
Loss per share	$	(0.03)	(0.01)	(0.03)	(0.03)	(0.02)	(0.03)	(0.02)	(0.03)
Share capital	$	7,057,786	6,289,668	6,301,568	5,060,894	5,060,894	5,060,894	5,060,894	5,060,894
Common shares issued		12,698,334	12,698,334	12,698,334	5,892,779	5,892,779	5,892,779	5,892,779	5,892,779
Weighted average shares outstanding per		12,698,334	12,698,334	8,463,766	5,892,779	5,892,779	5,892,779	5,892,779	5,892,779
Total Assets	$	809,141	1,160,683	1,621,402	395,270	397,923	377,209	380,880	537,079
Net Assets (liabilities)	$	344,770	811,619	897,871	(187,987)	(31,177)	109,721	267,592	407,019
Dividends Declared per Common Shares	$	0	0	0	0	0	0	0	0

Outlook

As is typical of the mineral exploration and development industry, Bama Gold is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. While the Company remains optimistic that further exploration will yield additional encouragement at Turner Lake, management has increased its efforts to source new exploration opportunities.

With the November 2011 acquisition of the Manalo/Mansaya property option, management believes that the Company's exploration focus will shift to West Africa.

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Additional Disclosure for Venture Issuers Without Significant Revenue

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has no significant revenues.

The Company has limited funds. There is no assurance that the Company can access additional capital. The future requirements for additional capital will require issuance of common shares resulting in a dilution of the share capital issued previously.

There is no assurance that the exploration of the Company's properties will be successful in its quest to find a commercially viable quantity of mineral resources.

There is no assurance that exploration for a mineral resource within any of the Company's prospects will be successful.

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

Some of the Company's mineral interests are in countries that may be affected by varying degrees of political instability and the policies of other nations in respect of these countries. These risks and uncertainties include military repression, political and labour unrest, fluctuations in currency exchange rates, rates of inflation, terrorism, hostage taking and expropriation

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

Related Party Transactions

For the period ended September 30, 2011, in accounts payable and accrued liabilities is $nil (2010: $14,164) owing to directors of the Company or companies affiliated with directors for the recovery of expenses paid on behalf of the Company. This amount is unsecured, non-interest bearing and due on demand.

For the period ended September 30, 2011, the Company paid $7,500 (2010: $7,500) for rent and office services to a private company controlled by an officer of the Company and in which a second officer and director is a significant shareholder; under a services agreement, the Company has arranged for office premises and administrative services on an annual basis for $30,000 per year. The services agreement can be terminated by either party with six months' notice.

For the period ended September 30, 2011, the Company paid or accrued a total of $90,000 (2010: $90,000) to a related party for management services.

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Included in Exploration and Drilling expense is $7,800 (2010: $30,000) paid or accrued to a private company controlled by a director of the Company for geological services.

During the period ended September 30, 2011, the Company reimbursed $9,701 (2010: $nil) to directors, or companies affiliated with directors, for expenses paid on behalf of the Company.

During the period ended September 30, 2011, the Company entered in an Assignment Agreement whereby it could acquire certain property rights from Delta Exploration Inc. ("Delta") regarding the Manalo Property. Delta.is a wholly owned subsidiary of Rockgate Capital Corp., a Toronto Stock Exchange-listed company which has directors in common with the Company.

For the period ended September 30, 2011, key management personnel received total share based payment compensation of $90,675 (2010: $nil).

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

Table of Contractual Obligations

Contractual Obligations:	*Payments Due by Period*
Management Contract with	**Pacific Equity Management Corp.**
Pursuant to a Management Services Agreement dated as of August 1, 2008, the Company has engaged Pacific Equity Management Corporation ("PEMC") for management services. PEMC is a management services company controlled by Karl Kottmeier and Douglas E. Ford, each of whom is a director and/or officer of the Company, and Kirk Gamley, an officer of the Company. The monthly management fee payable under the Agreement is $30,000, plus taxes. The services provided by PEMC include the provision of the services of the following officers and employees: President, Chief Financial Officer; Vice President-Corporate Development; Vice President-Finance, Administrator and Receptionist. The Agreement may be terminated by either party on six months notice. In the event the there is a change of effective control of the Company, PEMC has the right to terminate the Agreement and in such event the Company shall pay PEMC a severance payment equal to twelve (12) months management fees. For purposes of the Agreement, "change of effective control" of the Company shall be deemed to have occurred when voting shares of the Company are acquired by any one person or group of persons acting in concert, through one transaction or a series of transactions, which when added to the number of voting shares previously owned by such person or group of persons acting in concert, would equal at least twenty percent (20%) of the total issued voting shares of the Company from time to time.	$30,000 per month

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Rent & Office Services Contract with	**Contact Financial Inc.**
Pursuant to a Services Agreement dated as of August 1, 2008, the Company has agreed to pay to Contact Financial Inc. ("Contact") $30,000 per annum, payable monthly, plus taxes for the provision of office space, office equipment and associated administrative services. The Agreement may be terminated by either party on six months notice.	$30,000 per annum

Off-Balance Sheet Arrangements
There are no off-balance sheet arrangements.

Critical Accounting Estimates
The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

Site Restoration Obligation
The Company records a liability for its site restoration obligation in the period in which it is identified and when a reliable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost is recognized by increasing the carrying amount of the related long-lived asset. The initial fair value of the liability is accreted, by charges to operations, over the remaining life of the asset.

Accounting Changes
<u>First time adoption of IFRS</u>

a) Transition elections

The Company adopted IFRS on July 1, 2011, with a transition date of July 1, 2010. Under IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities taken to retained earnings (deficit) unless certain exemptions are applied.

The Company has applied the following exemptions to its opening statement of financial position dated July 1, 2010:

(i) Share-based payments – IFRS 1 allows that full retrospective application may be avoided for certain share-based instruments depending on the grant date, vesting terms and settlement of any real liabilities. A first-time adopter can elect to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the later of (a) the date of transition to IFRS

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and (b) January 1, 2005. The Company has elected this exemption as all stock options vested before July 1, 2010, the transition date.

b) Reconciliation of assets, liabilities, equity, comprehensive income and cash flows of the Company from those reported under Canadian GAAP to IFRS

The following is a summary of the significant accounting differences considered as part of the IFRS transition. And where appropriate, the quantification of the adjustments required as of the transition date and for the comparative period.

(i) Asset impairment - Both Canadian GAAP and IFRS require an entity to undertake quantitative impairment testing where there is an indication of impairment. Further there is a requirement under IFRS for the Company to assess whether indicators of impairment exist at the date of transition to IFRS. Unlike Canadian GAAP, IFRS requires impairment charges to be reversed if circumstances leading to the impairment no longer exist. The Company has no historic impairment charges which could be reversed as of the transition date. As at the transition date, there were no indications of impairment under IFRS identified by management, therefore no formal quantitative impairment was undertaken.

(ii) Flow-through share adjustments - Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or “premium”, are recorded as a deferred charge. When expenditures are renounced, a deferred tax liability is recognized and the deferred charge is reversed. The net amount is recognized as deferred tax expense. Under Canadian GAAP, no premium is recorded and the entire flow through proceeds are recorded as share capital, with no liability recorded for the premium.

With the application of IFRS requirements, as of the transition date, July 1, 2010, the Company recorded a net $793,118 increase to share capital, and a premium liability of $106,882. The same amounts affected the balances as at September 30, 2010.

To account for the flow-through placement which closed during the year ended June 30, 2011 where the funds received had not yet been expended nor renounced, as of June 30, 2011 the Company recorded a decrease in share capital of $25,000 and a premium liability of a further $25,000.

Additionally, in accordance with IFRS 1, an entity’s estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company’s IFRS estimates as of July 1, 2010 are consistent with its GAAP estimates for the same date.

On the conversion from GAAP to IFRS, there was no significant impact to the statements of comprehensive loss and statements of cash flows for the three months ended September 30, 2010, and the year ended June 30, 2011.

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Future Accounting Pronouncements

New standard IFRS 9 “Financial Instruments”

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. This new standard is effective for annual periods beginning on or after January 1, 2015. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

IFRS 10, 11, 12 and 13

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 10, Consolidated Financial Statements (IFRS 10), IFRS 11, Joint Arrangements (IFRS 11), IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), IAS 27, Separate Financial Statements (IAS 27), IFRS 13, Fair Value Measurement (IFRS 13) and amended IAS 28, Investments in Associates and Joint Ventures (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

Financial Instruments and Other Instruments

Capital Disclosure

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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Financial instruments

a) Financial Instruments
As at September 30, 2011, the Company's financial instruments consist of cash and cash equivalents, taxes receivable, accounts payable and accrued liabilities, and due to related parties.

b) Fair Value Measurements
IFRS 7 requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. IFRS 7 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1
Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2
Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3
Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. Taxes receivable, accounts payable and accrued liabilities, and due to related parties are measured using Level 3 inputs. As at September 30, 2011, the Company believes that the carrying values of taxes receivable, accounts payable and accrued liabilities, and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

c) Financial Risks
Credit Risk
The Company's credit risk is primarily attributable to receivables. The Company has no significant concentration of credit risk arising from operations. Receivables include harmonized sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to its receivables is remote.

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Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has adequate working capital to discharge its existing financial obligations.

Market Risk

i) Interest rate risk

The Company has cash balances and no interest-bearing debt therefore, interest rate risk is minimal.

ii) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars: therefore, foreign currency risk is minimal.

iii) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Disclosure Controls and Procedures

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and that (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

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The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital Data

The following table sets forth the Company's share capital data as at December 23, 2011:

Common Shares -issued & outstanding	21,698,334		
Warrants	6,805,555	Exercise price: $0.24	Expiry: 2/25/2012
Warrants	8,000,000	Exercise price: $0.165	Expiry: 11/10/2012
Options	580,000	Exercise price: $0.24	Expiry: 1/17/2016
Options	690,000	Exercise price: $0.17	Expiry: 9/27/2016

Subsequent Events

a) Effective November 1, 2011 Appleton's interests in the Manalo/Mansaya property as "Optionee" were assigned to Bama Gold. In conjunction with the assignment, Delta consented to an extension of the April 1, 2012 exploration expenditure completion date, to April 1, 2013. In consideration for the Assignment the Company paid to Appleton $250,000 and issued 1,000,000 common shares.

b) The Company completed a non-brokered private placement of eight million units at $0.125 per unit for proceeds of $1-million on November 10, 2011. Each unit consisted of one common share of the Company and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share in the capital of the Company at an exercise price of $0.165 per share until expiry on November 10, 2012. The net proceeds from the private placement were added to the Company's working capital. A finder's fee of $20,325 was paid in connection with the private placement.

Further Information

Additional information about the Company is available at the Canadian disclosure website www.sedar.ca