

**KENNA CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2011**

The following management discussion and analysis of the financial condition and result of operations of Kenna Capital Corp. (the "Company") should be read in conjunction with the Company's unaudited condensed interim financial statements and notes thereto for the three months ended March 31, 2012. Additional information about the Company has been filed with applicable Canadian securities regulatory authorities and is available at www.sedar.com.

The discussion and analysis has been prepared as of May 25, 2012. The information provided for herein is given as of March 31, 2012 unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements. When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objectives and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

OVERVIEW OF THE BUSINESS

The Company was incorporated under *The Business Corporations Act* (Saskatchewan) on September 25, 2009. The Company was initially classified as a capital pool company for the purposes of the TSX Venture Exchange (the "Exchange").

On April 7, 2010, the Company completed its initial public offering (the "Offering") of 3,493,500 Class A shares ("Common Shares") at a price of \$0.20 per share for aggregate gross proceeds of \$698,700.

On March 28, 2012, the Company completed its Qualifying Transaction, involving the acquisition of 100% of all rights, title and interests in the Elizabeth Lake copper, silver and gold project located in northern Saskatchewan (such property and interests are collectively referred to as the "Property").

As consideration for the acquisition of the Property, the Company issued an aggregate of 1,000,000 Common Shares to BEC International Corp. (the "Vendor") at an ascribed price of \$0.12 per share and paid \$50,000 in cash consideration to the Vendor. In addition, the Company granted to the Vendor a two percent (2%) royalty on production from the Property, to a maximum amount payable of \$5,000,000. A finder's was paid to an arm's length party through the issuance of 75,000 Common Shares at a deemed price of \$0.12 per share.

OVERALL PERFORMANCE

During the three months ended March 31, 2011, the Company's activity related to evaluation of the Property and closing of the Qualifying Transaction. With the Qualifying Transaction behind it, the Company now seeks to acquire, explore and develop resource properties.

KENNA CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2011

The Company's only source of revenue is interest income earned from funds on deposit. In order to continue to acquire, explore and develop resource properties, the Company must secure additional financing.

RESULTS OF OPERATIONS

Financial results for the three months ended March 31, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Revenue		
Interest income	<u>\$ 1,526</u>	<u>\$ 1,713</u>
Expenses		
General and administrative expenses	113,099	47,107
	<u>113,099</u>	<u>47,107</u>
Net comprehensive loss	<u>\$ (111,573)</u>	<u>\$ (45,394)</u>
Net comprehensive loss per share	<u>\$ (0.015)</u>	<u>\$ (0.006)</u>
Total assets	<u>\$ 836,574</u>	<u>\$ 803,645</u>
Total non-current financial liabilities	<u>\$ -</u>	<u>\$ -</u>

(Prepared using IFRS)

For the three months ended March 31, 2012, general and administrative expenses consisted primarily of legal, filing fees and consulting expenses related to completing the Qualifying Transaction. For the three months ended March 31, 2011, general and administrative expenses consisted primarily of legal and consulting expenses related to evaluating opportunities that could potentially lead to a Qualifying Transaction.

The major components of general and administrative expenses for the three months ended March 31, 2012 and 2011 were legal expenses of \$80,115 in 2012 and \$22,993 in 2011, and transfer agent, listing and filing fees of \$16,972 in 2012 and \$8,873 in 2011.

**KENNA CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2011**

SUMMARY OF QUARTERLY RESULTS

	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010
Interest income	\$ 1,526	\$ 1,589	\$ 1,648	\$ 1,681	\$ 1,713	\$ 1,676	\$ 1,025	\$ 273
General and administrative expenses	113,099	38,345	13,702	18,837	47,107	25,973	11,801	17,200
Share based compensation	-	-	-	-	-	-	-	100,245
Net comprehensive loss	(111,573)	(36,756)	(12,054)	(17,156)	(45,394)	(24,297)	(10,776)	(117,172)
Basic and diluted loss per share	(0.015)	(0.005)	(0.002)	(0.002)	(0.006)	(0.003)	(0.001)	(0.016)
Total assets	\$ 836,574	\$ 751,193	\$ 777,405	\$ 789,066	\$ 803,645	\$ 863,681	\$ 879,822	\$ 887,828

(Prepared using IFRS)

General and administrative expenses varied from quarter to quarter based on corporate administrative requirements and activities related to investigating opportunities that could potentially lead to a Qualifying Transaction and then increased in the quarter ended March 31, 2012 due to the completion of the Qualifying Transaction.

LIQUIDITY AND SOLVENCY

As of March 31, 2012, the Company had working capital of \$573,921. At the current rate of expenditure, the Company has sufficient working capital to meet its ongoing administrative costs and modest exploration work on the Elizabeth Lake project. To expand exploration and development activities, the Company will have to seek additional financing.

CAPITAL RESOURCES

As of March 31, 2012, the Company had not made any commitments for capital expenditures, nor had it arranged any sources of financing.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company had no related party transactions for the period ended March 31, 2012.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The carrying amount of current financial assets and current financial liabilities approximate their fair value because of the short-term maturities of these items.

**KENNA CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
MARCH 31, 2011**

OUTSTANDING SHARE DATA

Authorized share capital: An unlimited number of Class A common shares.

Shares issued and outstanding at May 25, 2012: 8,413,600 Class A common shares.

Options to purchase Class A common shares outstanding at March 31, 2012:

- 733,860 options – exercise price \$0.20/share, term 5 years, entirely vested.
- 279,480 options – exercise price \$0.20/share, term 2 years, entirely vested.

RISKS AND UNCERTAINTIES

Following the completion of the Qualifying Transaction, the Company will be subject to the typical risks and uncertainties of a resource development company, including but not limited to: Risks relating to exploration and development, operating hazards, fluctuating commodity prices, regulatory requirements, permits and license approvals, governmental and regulatory approval risks and no assurance of title. Further, the Company is subject to ongoing corporate risks such as limited operating history, competitive industry conditions and access to capital. All of these risks and uncertainties may lead to fluctuations in financial results and the payment of dividends is unlikely.

APPROVAL

The Board of Directors of Kenna Capital Corp. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be obtained along with additional information on the SEDAR website at www.sedar.com.