RARA TERRA MINERALS CORP.
(formerly Rara Terra Capital Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Year ended March 31, 2012

Management's discussion and analysis ("MD&A) is prepared as of July 18, 2012 and provides a review of the performance of Rara Terra Minerals Corp. ("Rara Terra" or the "Company") and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2012 and related notes included therein which are prepared in accordance with International Financial Reporting Standards. This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has, except where otherwise noted, been prepared in accordance with International Financial Reporting Standards and all figures are stated in Canadian dollars. Additional information on the Company is available on the SEDAR website at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements contained in this document constitute "forward looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by law.

1.1 Date of Report: July 18, 2012

1.2 Overall Performance

Nature of Business and Overall Performance

The Company was incorporated as Rara Terra Capital Corp. under the Business Corporations Act (British Columbia) on December 17, 2009. On August 27, 2010 the Company completed its initial public offering of 3,000,000 common shares in the capital of the Company (each, a "Share") at a price of $0.10 per Share for gross proceeds of $300,000. The Shares were concurrently listed on the TSX Venture Exchange (the "Exchange") and the Company was classified as a Capital Pool Company as defined in Exchange Policy 2.4.

On November 29, 2010 the Company signed a letter of intent (the "LOI") with American Manganese Inc. (TSX-V: AMY) ("American Manganese") to acquire up to 60% of the right, title and interest of American Manganese in the Lonnie property (the "Lonnie Property"), a niobium and rare earth property located in the Omineca Mining Division of British Columbia, which was intended to constitute the Company's Qualifying Transaction as defined in Exchange Policy 2.4. The Lonnie Property consists of 8 mineral claims, totalling 1605 hectares, and is located on Granite Creek, south east of Manson Creek in North Central British Columbia, approximately three hours drive north of Fort St. James. Pursuant to the terms of the LOI, as consideration for the acquisition of the interest in the Lonnie Property, Rara Terra agreed to pay American Manganese cash payments totaling $60,000 and to issue to American Manganese 285,000 Shares over the three year term of an option agreement to be entered into between the Company and American Manganese (the "Lonnie Definitive Agreement"). Rara Terra also committed to incur exploration expenditures totaling $500,000 over the three year term of the Lonnie Definitive Agreement.

On April 20, 2011, the Company staked an additional 875 hectares of property adjacent to the Lonnie Property.

The Lonnie Definitive Agreement was entered into effective January 31, 2011 and the Company received the final approval for the Qualifying Transaction on May 3, 2011. In connection with the completion of the Qualifying Transaction, the Company changed its name to Rara Terra Minerals Corp. In connection with the closing of the Qualifying Transaction, the Company completed a brokered and non-brokered private placement financing for total gross proceeds of $2,313,170 whereby the Company issued 8,291,000 non-flow-through units and 801,401 flow-through units. The non-flow-through units were priced at $0.25 per unit, with each unit consisting of one Share and one half of one Share purchase warrant. The flow-through units were priced at $0.30 per unit, with each unit consisting of one Share, issued on a flow-through basis, and one half of one non-flow through Share purchase warrant. Each whole warrant is exercisable into one Share at a price of $0.39 per Share until November 3, 2012.

On June 9, 2011, the Company entered into an option agreement to acquire a 100% interest in eight claims comprising approximately 2,940 hectares in the Xeno property in British Columbia for the following consideration:

i) $14,500 upon signing of the agreement (paid);
ii) $12,500 and 75,000 Shares upon approval of the Exchange (paid and issued);
iii) $10,000 and 50,000 Shares on the 1st anniversary of the Exchange approval date (paid and issued): and
iv) $10,000 and 50,000 Shares on the 2nd anniversary of the Exchange approval date.

The property is subject to a 0.5% Net Smelter Royalty ("NSR") which can be repurchased by the Company for $250,000.

On June 9, 2011, the Company also entered into a second option agreement to acquire a 100% interest in 20 claims comprising approximately 4,185 hectares in the Xeno property in British Columbia for the following consideration:

i) $28,000 upon signing of the agreement (paid);
ii) $28,000 and 75,000 Shares upon approval of the Exchange (paid and issued); and
iii) $50,000 and 115,000 Shares on the 1st anniversary of the Exchange approval date (paid and issued).

On July 8, 2011 the Company staked an additional 841 hectares of property adjacent to the above referenced Xeno properties.

Subsequent to March 31, 2012 and to the date of this Annual Report, the Company staked an additional 7,853 hectares adjacent to the Xeno property.

On May 1, 2012 the Company made the following payments pursuant to the Lonnie Definitive Agreement with American Manganese:

- $4,607 (renegotiated from $20,000) and 75,000 Shares to American Manganese;
- $1,000 and 3,750 Shares to David Heyman; and
- $1,000 and 3,750 Shares to Nick Horsley.

Discussion of Operations and Financial Condition

Operations during the twelve months ended March 31, 2012 were primarily related to the completion of the Company's Qualifying Transaction, the acquisition and exploration of the Company's mineral properties, the identification of new mineral properties and to general corporate matters. The Company incurred costs related to the Qualifying Transaction, which costs were deferred or expensed as identified in the Company's annual financial statements. The Company incurred costs associated with the identification of promising mineral properties, the acquisition of mineral property claims, and conducting geological surveys of the mineral properties. The Company retained the services of an investor relations company during the period. There were no transactions with related parties other than the payment of rent for office space and the reimbursement of expenses incurred by the Company's officers and directors. There also were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the period.

On May 3, 2011, the Company completed a private placement for total gross proceeds of $2,313,170 and received an additional $30,000 on May 6, 2012 from the exercise of 300,000 agent warrants.

In June and July 2011 the Company acquired its initial Xeno claims. The Company retained the services of Fugro Airborne Service Corp. to plan and execute an airborne survey of the Xeno property. This geophysical survey was designed to provide electromagnetic, magnetic, and radiometric data of the top 100 meters of the earth's crust enabling the generation of high resolution electromagnetic resistivity, radiometric, and magnetic anomaly maps. Although the planning of the survey program was completed in the fall of 2011, inclement weather prevented the program from being completed in fiscal 2012. The Company expects that the program will be conducted and completed in mid 2012.

In September and October 2011, as a follow up to an airborne survey conducted on the Lonnie Property in March 2011, the Company retained Minconsult Exploration Services to conduct a geochemical soil survey on the Lonnie Property. The Company reviewed the results of this program and identified some anomalies of interest. The objective of the program was to identify near-surface exposure and trend of carbonitite bodies which are pervasive on the Lonnie Property. A total of 876 soil samples were collected and analyzed. Refer to the Company's May 27, 2012 news release for information regarding the results of this airborne survey. As of the date of this report the Company has not determined what additional programs may be conducted on the Lonnie Property.

1.3 Selected Annual Information

	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Period ended March 31, 2010 Note 1
Total revenues	$0	$0	$0

Loss before other items	(805,628)	(192,427)	(7,968)
Comprehensive loss	(765,581)	(192,427)	(7,968)
Basic and diluted net loss per common share	(0.05)	(0.05)	(0.01)
Current assets	1,454,819	217,239	218,162
Exploration and evaluation assets	457,750	83,230	0
Total assets	1,912,569	300,469	251,989
Current liabilities	26,750	50,097	15,821
Share capital & share based payment reserve	2,872,974	471,946	244,136
Deficit	(987,155)	(221,574)	(7,968)
Dividends	n/a	n/a	n/a

Note 1 - From December 17, 2009 (inception) to March 31, 2010

The increase in Current assets to $1,454,819 in 2012 from $217,239 in 2011 was primarily a result of the Company completing its Qualifying Transaction and private placement, as described above, in May 2011. The increase was primarily offset by the Company's investment in Exploration and evaluation properties which increased to $457,750 in 2012 from $83,230 in 2011 and by an increase in Administrative, Exploration and General Expenses which are more fully described below. The increase in Share capital and share based payment reserve to $2,872,974 in 2012 from $471,946 in 2011 is a result of the funds received from the Company completing its private placement and the exercise of agents warrants in May 2011.

The financial data for the years ended March 31, 2012 and March 31, 2011 have been prepared in accordance with International Financial Reporting Standards while the financial data for the period ended March 31, 2010 were prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). No material changes resulted from the change from Canadian GAAP to International Financial Reporting Standards. All figures are stated in Canadian dollars.

1.4 Results of Operations

The Company has not yet generated revenue to date and has reported net losses since inception. Comprehensive loss during the year ended March 31, 2012 was $765,581 (March 31, 2011: $192,427). The costs incurred in the net loss in the year ended March 31, 2012 primarily included the costs of completing the Company's Qualifying Transaction, exploration of the Company's mineral properties, acquisition of new mineral properties, and, business development initiatives, investor relations programs, and the administration of the Company's business.

Comprehensive Loss, Administrative, Exploration and General Expenses

The following expenses were incurred in the years ended March 31, 2012 and 2011:

Expenses

	For the year ended March 31, 2012	**For the year ended March 31, 2011**
Consulting and management fees	$273,265	$0
General and administrative	9,302	12,184
Investor relations	66,069	0
Professional fees	78,800	51,326

Property investigation costs	27,582	0
Rent	35,500	12,000
Stock based compensation	200,833	33,767
Transfer agent and filing fees	45,656	54,892
Travel and promotion	68,621	28,258
Loss before other items	805,628	192,427
Other income	(40,047)	0
Comprehensive loss	$765,581	$192,427

More specifically, the increase in Comprehensive loss incurred during the year ended March 31, 2012 compared to that incurred during the comparable period in 2011 was largely a result of the following:

- Consulting and management fees increased to $273,265 in 2012 from $nil in 2011 due to the Company commencing active operations, following the May 2011 Qualifying Transaction and private placement, and compensating its directors and officers for the services that they provided in executing the Company's business plan.

- The increase in investor relations related expenditures to $66,069 in 2012 from $nil in 2011 primarily due to the Company retaining the services of an investor relations company as well as participating with other rare earth exploration companies in an industry media program.

- Professional fees increased to $78,800 in 2012 from $51,326 in 2011 primarily as a result of the costs associated with the Company's completion of its Qualifying Transaction and private placement, legal expenses dealing with various corporate matters, monthly and quarterly accounting and related statutory filings, and completion of the Company's annual audit.

- Property investigation costs increased in 2012 by $12,600 related to the Company's initiative in Argentina to identify new mineral exploration properties in that country and $14,982 related to geological services that were retained to review new mining exploration opportunities. The comparable expenditure in 2011 was $nil.

- Rent increased to $35,500 in 2012 from $12,000 in 2011 as a result of the Company moving its operations into larger office premises.

- Stock based compensation increased to $200,833 in 2012 from $33,767 in 2011 as a result of the Company's 2012 grants of incentive stock options to its directors, officers and consultants.

- Transfer agent and filing fees increased to $45,656 in 2012 from $23,122 in 2011 as a result of the Company completing its Qualifying Transaction and private placement and resulting increase in the number of Company shareholders and the costs of administering this shareholder base.

- Travel and promotion increased to $68,621 in 2012 from $28,258 in 2011 primarily as a result of the Company's directors and officers attending conferences focused on rare earth elements and activities related to identifying and evaluating mineral property acquisition opportunities.

- Other income increased by $40,047 in 2012 from $nil in 2011 as a result of the reversal of the flow-through premium arising from the issuance of flow-through units to the subscribers to the private placement and the subsequent renunciation of the related tax benefits to those subscribers.

Dividend Report & Policy

The Company has not paid any dividends to date. The Company intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends on its shares in the foreseeable future.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters. The financial data has, except as referred to in the footnotes to this summary, been prepared in accordance with International Financial Reporting Standards and all figures are stated in Canadian dollars.

For the Quarterly Periods ended:		March 31, 2012 Note 1	December 31, 2011 Note 1	September 30, 2011 Note 1	June 30, 2011 Note 1
Total Revenues	$	Nil	Nil	Nil	Nil
Loss before other items	$	(119,923)	(138,708)	(158,165)	(388,832)
Loss per common share before other items, basic and diluted	$	(0.01)	(0.01)	(0.02)	(0.05)
Net Loss for the period	$	(79,876)	(138,708)	(158,165)	(388,832)
Loss per share, basic and diluted	$	(0.01)	(0.01)	(0.02)	(0.05)

For the Quarterly Periods ended:		March 31, 2011 Note 1	December 31, 2010 Note 2	September 30, 2010 Note 2	June 30, 2010 Note 1
Total Revenues	$	Nil	Nil	Nil	Nil
Loss before other items	$	(101,746)	(36,186)	(48,986)	(5,509)
Loss per common share before other items, basic and diluted	$	(0.03)	(0.01)	(0.01)	(0.00)
Loss for the period	$	(101,746)	(36,186)	(48,986)	(5,509)
Loss per share, basic and diluted	$	(0.03)	(0.01)	(0.01)	(0.00)

Note 1 – Prepared in accordance with IFRS
Note 2 – Prepared in accordance with Canadian GAAP. No material changes resulted from the change from Canadian GAAP to International Financial Reporting Standards.

1.6 Liquidity

The Company has total assets of $1,912,569 (March 31, 2011: $300,469). The primary assets of the Company are cash of $1,330,361 (March 31, 2011: $194,087), receivables of $116,958 (March 31, 2011: $23,152) consisting of value-added tax receivables, and its investment in mineral properties in the amount of $457,750 (March 31, 2011: $83,230). The Company expects that it has adequate working capital, $1,428,069 (March 31, 2011: $167,142), to enable it to undertake its business of identifying and evaluating the acquisition of an interest(s) in mineral properties or businesses and, once identified and evaluated, to negotiate an acquisition or participation and conduct exploration activities on those properties. The Company has contractual obligations for the use of cash which consist of its obligations under the Lonnie Definitive Agreement to:

- invest up to $400,000 in a Lonnie Property work program being:
  - $100,000 on or before the second anniversary date of the acceptance of the Company's Qualifying Transaction by the Exchange;
  - $300,000 on or before the third anniversary date of the acceptance of the Company's Qualifying Transaction by the Exchange; and
- the payment of $20,000 on or before the second anniversary of the acceptance of the Company's Qualifying Transaction by the Exchange.

On June 9, 2011, the Company entered into a Xeno Mineral Claim Purchase Agreement. The remaining contractual obligation is:

- $10,000 and 50,000 Shares on the 2nd anniversary of the Exchange approval date.

The Company has a contractual obligation for the use of cash to Fugro Airborne Service Corp. to complete the airborne survey of the Xeno property. The Company estimates the cost of its obligation being in the amount of approximately $100,000.

1.7 Capital Resources

At March 31, 2012, the Company had not yet achieved profitable operations, had accumulated a deficit of $987,155 (March 31, 2011: $221,574), had working capital of $1,428,069 (March 31, 2011: $167,142), which may not be sufficient to sustain operations over the next twelve months, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations, raise further capital, and to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest in one or more mineral properties

The capital resources of the Company are primarily its cash of $1,330,361 (March 31, 2011: $194,087). Other than its above described contractual obligations the Company does not currently have any capital commitments.

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

The following cash payments were made to related parties:

	For the year ended March 31, 2012	For the year ended March 31, 2011
Consulting Fees		
Koko Financial Ltd. Note 1	$55,000	$0
R. Flowerdew Note 2	55,000	0
9082 Investments Inc. Note 3	55,000	0
J. Veltheer Note 4	66,000	0
C. Ecclestone Note 5	34,530	0
	265,530	0
Rent		
Network Explorations Ltd. Note 6	35,500	12,000
	$301,030	$12,000

Note 1. Koko Financial Ltd. is a company owned by Fraser Atkinson, a director of the Company.

Note 2. Mr Flowerdew is the CFO and Corporate Secretary and a director of the Company

Note 3. 9082 Investments Inc. is a company owned by Alex Helmel, the President, CEO and a director of the Company

Note 4. Dr. Veltheer is a director of the Company.

Note 5. Mr. Ecclestone was the former President and CEO and a director of the Company.

Note 6. Network Explorations Ltd. is a company managed by Alex Helmel, the President, CEO and a director of the Company

The Company anticipates that, with the exception of payments to Mr. Ecclestone, the payments for consulting services and rent will continue in fiscal 2013.

1.10 Fourth Quarter

Save as disclosed herein, there were no extraordinary items, quarter end or other adjustments or dispositions in the Company's fourth quarter ending March 31, 2012 that had a material effect on the Company's financial condition, cash flow or results of operations.

1.11 Proposed Transactions

Not applicable.

1.12 Critical Accounting Estimates

Save as disclosed in the Company's annual audited financial statements for the years ended March 31, 2012 and 2011 (as are filed and reviewable on SEDAR (www.sedar.com)) the Company has no other critical accounting estimates.

1.13 Changes in Accounting Policies

There are no accounting policies that the Company has adopted, other than what was disclosed in the annual March 31, 2012 financial statements. The Company adopted IFRS at April 1, 2011. The reconciliation's between IFRS and Canadian Generally Accepted Accounting Principles at April 1, 2010 and March 31, 2011 are presented in note 12 to the audited financial statements.

1.14 Financial Instruments and Other Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts held with major banks in Canada. The Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at March 31, 2012:

	Within one year	**Between one and five years**	**More than five years**
Accounts payable	$ 8,459	$ -	$ -
Due to related parties	3,291	-	-
	$ 11,750	$ -	$ -

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company mainly operates in Canada; therefore, it is not exposed to foreign exchange risks.

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. The Company's cash on hand is subject to minimal interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and working capital.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31, 2012	March 31, 2011
Cash	$ 1,330,361	$ 194,087
Loans and receivables:		
Receivables	116,958	23,152
	$ 1,447,319	$ 217,239

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2012	March 31, 2011
Non-derivative financial liabilities:		
Accounts payable	$ 8,459	$ 40,391
Due to related parties	3,291	6,526
	$ 11,750	$ 46,917

Fair value

The fair value of the Company’s financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Financial instruments classified as level 1 – quoted prices in active markets include cash.

1.15 Disclosure of Outstanding Share Data

Authorized:

Unlimited common shares without par value

Issued

	Number of	Share-based payment

	Shares	Amount	reserve	Total
Balance as at December 17, 2009 (Inception)	1	$0	0	$0
Common shares issued for cash at $0.05 per share	2,200,000	110,000	0	110,000
Common shares issued for cash at $0.10 per share	1,400,000	140,000	0	140,000
Cancelled share	(1)	0	0	0
Share issuance costs	0	(18,512)	0	(18,512)
Balance as at March 31, 2010	3,600,000	231,488	0	231,488
Common shares issued for cash at $0.10 per share	3,000,000	300,000	0	300,000
Share issuance costs	0	(109,155)	15,846	(93,309)
Stock based compensation	0	0	33,767	33,767
Balance as at March 31, 2011	6,600,000	422,333	49,613	471,946
Common shares issued for cash at $0.25 per share	8,291,000	2,072,750	0	2,072,750
Common shares issued for cash at $0.30 per share	801,401	240,420	0	240,420
Flow-through tax liability	0	(40,047)	0	(40,047)
Common shares issued for cash at $0.10 per share	300,000	45,846	-15,846	30,000
Share issuance costs - cash	0	(198,390)	35,275	(163,115)
Common shares issued pursuant to Property Acquisitions	232,500	60,187	0	60,187
Stock-based compensation	0	0	200,833	200,833
Balance as at March 31, 2012	16,224,901	$2,603,099	$269,875	$2,872,974

During the year ended March 31, 2012, the Company completed a concurrent brokered and non-brokered private placement to issue 8,291,000 non-flow-through units at $0.25 per unit and 801,401 flow-through units at $0.30 per unit for total proceeds of $2,313,170. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable at $0.39 per share for a period of 18 months. The Company incurred the required expenditures related to the issuance of the 801,401 flow-through units and renounced the full amount during the year. Therefore the premium paid for flow-through shares in excess of the market value of the shares without the flow-through feature was recognized as other income of $40,047. The Company incurred $193,115 share issuance costs in cash in relation to the private placement of which $30,000 was recorded during the year end March 31, 2011. The Company also issued the broker 300,160 warrants as finders' fees. The finder's warrants can be exercised at $0.25 per share for a period of 18 months. The fair value of the finder's warrants was estimated at $35,275 using the Black-Scholes option pricing model.

During the year ended March 31, 2012, the Company issued 225,000 common shares at a fair value of $58,125 as part of the purchase price of the Lonnie and Xeno Properties. Further, the Company issued 7,500 common shares with a fair value of $2,062 as finders' fees for the Lonnie Property.

During the year ended March 31, 2012, the Company issued 300,000 shares for exercise of agent's warrants at $0.10 per share for total proceeds of $30,000. A reversal of share-based payment reserves of $15,846 was recorded in relation to the exercise of the 300,000 warrants.

As of the date of this MD&A the following Shares, incentive stock options and warrants were outstanding.

Common Shares – 16,472,401

Incentive Stock Options – 1,224,100 options consisting of 450,000 options with an exercise price of $0.10 per share and expiring on August 27, 2015; 724,100 options with an exercise price of $0.26 per share and expiring on May 3, 2016; and 50,000 options with an exercise price of $0.26 per share expiring on July 5, 2016.

Warrants – 4,846,361 warrants consisting of 300,160 agent's warrants with an exercise price of $0.25 per share expiring on November 3, 2012 and 4,546,201 warrants with an exercise price of $0.39 per share expiring on November 3, 2012.

1.16 Subsequent Events

a) Subsequent to the Company's year end, being March 31, 2012, the Company has staked an additional 7,853 hectares of property adjoining the above referenced Xeno claims.

b) On May 1, 2012, in compliance with the Lonnie Definitive Agreement, the Company made the following first anniversary payments:

- $4,607 (renegotiated from $20,000) and 75,000 Shares to American Manganese
- $1,000 and 3,750 Shares to David Heyman
- $1,000 and 3,750 Shares to Nick Horsley

c) On May 3, 2012, a distribution of 330,000 Shares was released from escrow.

d) On July 7, 2012 the Company made the following first anniversary payments in compliance with the two Xeno Mineral Claim Purchase Agreements being in total:

- $60,000 and 165,000 common shares

1.17 Other Information and Board Approval

Additional information about the Company is available on SEDAR at www.sedar.com. This MD&A has been reviewed and approved by the Board of Directors of the Company.