Red Ore Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Period Ended October 31, 2012

RED ORE GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended October 31, 2012
(Information as at December 14, 2012 unless otherwise noted)

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Red Ore Gold, certain statements contained in this MD&A constitute forward-looking information, future oriented financial information or financial outlooks (collectively "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this document and other matters identified in Red Ore Gold's public filings, Red Ore Gold's future outlook and anticipated events or results and in some cases can be identified by terminology such as "may", "will", “could”, "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", “projects”, "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions including but not limited in any manner, those disclosed in any other of Red Ore Gold's public filings and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While Red Ore Gold considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other Red Ore Gold filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and, other than as required by law, Red Ore Gold does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

INTRODUCTION

The following provides Management's Discussion and Analysis of the financial position of Red Ore Gold Inc. ("the Company") and the results of operations of the Company for the period ended October 31, 2012. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on December 14, 2012.

All figures are presented in Canadian dollars (unless otherwise indicated) and are in accordance with International Financial Reporting Standards ("IFRS"). These statements together with the following Management Discussion and Analysis dated December 14, 2012, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. Red Ore Gold's consolidated financial statements were prepared in accordance with IFRS. All amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise noted.

NATURE OF OPERATIONS

Corporate summary

Red Ore Gold is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of precious and base metals with mineral properties in the United States. At the date of these consolidated financial statements, the Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties. Red Ore Gold Inc. (the "Company" or "Red Ore") was incorporated under the name "Red Ore Gold Inc." under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011.

During March 2011, Galahad Metals Inc., a related party, received board of director approval to transfer all of its 60% ownership of Bottle Creek Exploration LLC (the "subsidiary" or "BCE") a joint venture subsidiary of Galahad incorporated in the State of Nevada, to the Company in exchange for 8,838,938 common shares.

On August 10, 2012 the Company completed the dissolution of Bottle Creek Exploration LLC a 60% owned joint venture subsidiary. Per the terms of the dissolution of the subsidiary the Bottle Creek exploration claims as well as all assets and liabilities were transferred in the name of Golden Gryphon USA, with the Company retaining its 60% interest in the exploration claims only. Red Ore remains the operator of the project.

The Company has applied for its common shares to be listed on the TSX Venture Exchange under the symbol RXX. The primary office is located at 3643 Marine Drive, West Vancouver, British Columbia, V7V 1N3 with the operating office located at #100-2746 St Joseph Blvd, Orleans, Ontario, Canada, K1C 1T1.

GROUP STRUCTURE

Red Ore Gold Inc.
Incorporated under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011

100% of common shares

Red Ore Gold NV Inc.
Incorporated under the laws of the State of Nevada by Articles of Incorporation dated November 15, 2011

Highlights

Highlights for the period ended October 31, 2012 include:

- Dissolution of Bottle Creek Exploration LLC.
- Robin Dow has relinquished his position as CEO and the Board announced the appointment of Larry Hoover as President and CEO of the Company.
- Subject to regulatory approval, the Board of Directors of the Company has extended the expiry date from April 30, 2013 to April 30, 2014 for 1,870,000 share purchase warrants (the "Warrants") for the purchase of 1,870,000 shares of the Company. In addition, the Company has re-priced the warrants from $0.40 to $0.30.

Initial Public Offering & Listing Application

On June 3, 2011, the Company signed an agreement with PI Financial Corp. ("PI") to act as its exclusive agent with respect to the Company's proposed initial public offering ("IPO"). As part of the IPO the Company was looking to raise a maximum of $3,000,000 through the sale of units. Each unit was to consist of one common share and one transferable common share purchase warrant. It was anticipated that each unit would have been issued at a price of $0.30 per unit with a common share purchase warrant exercisable into one additional common share of the Company for two years following the closing date of the IPO at an exercise price of $0.40 per share.

The Company had granted PI an option to cover over-allotments, which would have allowed PI to offer up to: (i) 1,500,000 additional units; (ii) 1,500,000 additional warrants; or (iii) any combination of additional units and additional warrants so long as the aggregate number of additional common shares does not exceed 1,500,000 common shares and the aggregate number of additional warrants does not exceed 1,500,000 warrants. The over-allotment option could have been exercised in whole or in part at any time prior to the closing date of the IPO.

On June 13, 2011, after consultation with PI with respect to pricing of the common shares to be issued in connection with the Company's proposed IPO, the Board of Directors passed a resolution to effectively reduce the price of the April private placement from $0.50 per unit to $0.25 per unit and to amend the warrant exercise price to $0.40, down from $0.75. To give effect to the foregoing dilution, as of June 30, 2011, the Board of Directors approved the issuance of double the number of previously issued compensation shares, and the issuance of rights to the investors who participated in the Company's initial private placement which closed on May 5, 2011. The rights offering allowed investors to subscribe for an additional 935,000 common shares at a price of $0.01 per share. In connection with this rights offering, the warrants previously issued to the investors were amended to increase the number of warrants granted to equal the total number of common shares originally subscribed for by such investors and to reduce the exercise price to $0.40. Galahad agreed not to exercise any of the rights issue to it, but all other shareholder rights were exercised prior to the expiry date, August 31, 2011.

On October 3, 2011, the Board of Directors of the Company agreed unanimously to postpone the IPO for an additional 90 days past the December 15, 2011, required closing date. Management's recommendation to postpone the IPO was due to poor economic conditions making it difficult for the Company to raise the required minimum financing as outlined in the final prospectus. As at October 31, 2012, the Company had paid $12,500 of the corporate finance fee to PI in respect to the IPO and paid PI $20,362 for legal expenditures in relation to the IPO.

On December 14, 2011, – Galahad Metals Inc. ("Galahad") completed a reduction of stated capital in the common shares of Galahad ("Galahad Shares") and the related distribution ("Distribution") to eligible Galahad shareholders of common shares of its subsidiary Red Ore Gold Inc. ("Red Ore Shares") by way of a tax free return of capital.

Galahad shareholders received one Red Ore Share for every 20 Galahad Shares held, pursuant to the Distribution, provided that the Galahad shareholder would have been entitled to receive 500 or more Red Ore Shares pursuant to the Distribution and was a resident of Canada or another eligible offshore (i.e., non-United States) jurisdiction. Ineligible Galahad shareholders received a cash equivalent of $0.10 for each 20 Galahad Shares owned. A total of 2,229,851 Red Ore shares were distributed by Galahad as part of the return of capital.

On February 27, 2012, the Company made an application to list its common shares on the TSX Venture Exchange. On August 27, 2012 the Company announced that it has received conditional listing approval from the TSX Venture Exchange (the "Exchange") to list its common shares for trading on the Exchange. The listing of the Company's common shares is subject to fulfilling all of the listing requirements imposed by the Exchange, including completing a financing in an amount sufficient to meet the Exchange's minimum initial listing requirements, which amount is presently anticipated to be approximately $1,200,000, and filing a Form 2B listing application and all other final listing documentation with the Exchange.

On September 20, 2012, the Board of Directors approved a private placement to raise up to $1.5 million, in order to fulfill the financial component of the listing application. Each $0.10 unit consists of one common share and one common share purchase warrant, exercisable at $0.15 for two years from the date of issuance. Each warrant will carry a forced exercise provision, whereby if the closing price of Company's common shares is $0.25 or greater for ten consecutive trading days from the date of issue, the warrant holders will have 30 days to exercise their warrants; otherwise, the warrants will expire on the 31st day.

Provisions

Finder's fees payable on the private placement are estimated at 10% of the gross proceeds received by the Company from the sale of units to arm's length parties. If all units are sold through finders, the maximum commission payable would be approximately $150,000.

As at October 31, 2012, the Company has not yet received conditional approval from the TSX Venture exchange, and as a result, management has decided that a provision for commissions payable would not be required at this time. Management will continue to assess the likelihood of TSX approval and ultimately anticipates the sales of units by finders in order to review the need for a provision in the future.

FOCUSED EXPLORATION

The Company has always had a different approach to gold exploration. Rather than have millions of acres and large budgets, it has instead gone to projects where gold and gold indicator minerals were already present and then taken only enough claim ground to efficiently explore. In keeping with this method the Company, in the 2013 fiscal year, will focus on its Pogonip and Ryepatch claims in Nevada, USA, as well as plan a spring 2013 exploration program for its Bottle Creek property.

ON-GOING PROJECTS

Listed below is a summary of the main projects and their status:

Country	Project	Commodity	Status at October 31, 2012	2013 Plans	Red Ore Ownership	Financial Statements
United States	Bottle Creek	Gold	Trenching completed Phase I drilling completed	Second phase drilling planned for spring of 2013	60%	Held in Golden Gryphon USA.
United States	Rye patch	Gold	Signed lease option agreement	Commence initial drill exploration program winter of 2012.	100%	Held in Red Ore Gold NV Inc.
United States	Pogonip Ridge	Gold	Signed lease option agreement	Commence initial exploration program spring of 2013.	100%	Held in Red Ore Gold NV Inc.

Mineral resources and mineral reserves

The Corporation has no known mineral reserves as defined by and compliant with the requirements of National Instrument 43-101.

Exploration and evaluation expenditures

During the period ended October 31, 2012, the Company incurred costs of $258,040 on property exploration and evaluation, of which $140,318 was reclassified as loss on discontinued operations upon dissolution of Bottle Creek Exploration LLC. A total of $145,473 of this spending related to the Company's Bottle Creek, Nevada project for the annual option payment with respect to the underlying property agreement as well as geological consulting expenditures. Costs of $68,002 related to staking and geological consultation costs for the Rye Patch project and costs of $44,565 related to the Pogonip project.

Bottle Creek Property – Nevada

On March 16, 2005, Phoenix Matachewan Mines Inc. (subsequently renamed Galahad Metals Inc. "Galahad", the parent company of Red Ore Gold) announced it had entered into an option agreement with Golden Gryphon Explorations Inc., a private company incorporated in British Columbia, whereby the Company had the option to earn 60% of the Bottle Creek epithermal gold-silver property in Humboldt County, Nevada. On October 29, 2007, Galahad reported that it had successfully met the earn-in requirements of the Bottle Creek project, giving it a 60% interest in the project, and making it the project operator.

On March 25, 2011, Red Ore Gold Inc. signed the Transfer Agreement, Assignment of Membership Interest Agreement and the Assignment of Agreement and Assumption of Liabilities with Galahad Metals Inc. in which Red Ore Gold has acquired Galahad's interest in the Bottle Creek Exploration LLC in exchange for 8,898,938 common shares of Red Ore Gold Inc. However, for accounting purposes, the exploration and evaluation costs on the mineral properties were expensed and the transfer of the assets was between companies under common control. Accordingly the transaction was accounted for at the carrying value of the net assets of Bottle Creek resulting in an effective per share price of $0.0014.

The property is located in the Bottle Creek Mercury District of northwestern Nevada, approximately 250 kilometres northeast of Reno. The core of the Bottle Creek system lies beneath past producing, high-grade mercury mines that are interpreted to be the surface manifestation of a mineralizing system capable of depositing gold and silver as well. Gold and silver exploration in the area dates from 1982 when the area was worked for both Carlin-type disseminated gold mineralization and low-sulphidation epithermal mineralization at shallow depths. Results of historical and current work indicate that the region displays widespread anomalous gold, silver, selenium, antimony, arsenic and mercury and lower but anomalous molybdenum, copper lead and zinc content - this coupled with altered rhyolite and basalt host rocks suggests that Bottle Creek could fit into a distinct class of epithermal gold mineralization that includes the Ken Snyder (Midas) (2.39 M oz gold), Mule Canyon (1.43M oz gold) and Sleeper (1.68 M oz gold) deposits.

On May 2, 2011, the Company announced sampling results from its Water Canyon Ridge target area in the Bottle Creek project, Nevada. A portion of this target area was tested by soil grids and a significant silver anomaly was outlined with anomalous gold. The silver anomaly is open in at least two directions with gold having a less continuous dispersion pattern. The Water Canyon Ridge zone contains an epithermal vein swarm. The width of the vein swarm ranges from 100 to 400 meters and has a potential 4-km east-west strike length from west of Buff Peak pass to the east end of the Water Canyon vein swarm. Part of this strike length is covered by post mineral volcanics.

An initial grab sample from an old prospect dump on the vein swarm returned a value of 2.6 g/t gold. Further grab samples from the dump assayed from 0.2 g/t gold to 40 g/t gold and up to 171 g/t silver. The prospect dump is located at the southern edge of the vein swarm and at an apparent structural level 160 metres beneath the veins on the crest of the ridge. The precious metal bearing veins in the Water Canyon Ridge zone consist of multiple generations of banded chalcedonic quartz veins, quartz - carbonate ± adularia +/- fluorite, and quartz+/- adularia +/- sulfide veins. Some of these veins show replacement textures of quartz after carbonate. The textures of the veins, mineralogy and trace metal content all indicate an epithermal precious metal hydrothermal system. Additional examples of the banded, oxidized, sulphidic quartz veins from a higher elevation and 0.9 kilometers farther west contain highly anomalous silver (to 171 g/t) and anomalous gold (to 0.6 g/t) with anomalous As, Hg, Mo, Pb, Sb, Se and Te. Collectively, these data indicate that the surface mineralization occurs at the higher levels of a typical epithermal vein system.

Further surface surveys, geophysics and permitting is planned in order to select the best drill targets for a 1,600 metre drill programme on the Water Canyon Ridge vein swarm.

There has been a preliminary budget proposed for Bottle Creek of $431,500 USD which has been approved by the Board of Directors. This budget encompasses a drill program as well as other geological exploration to be performed on this property.

Subject to financing requirements, phase one of the drill program will begin, with a 6 hole, 3,000 metre+ programme on already permitted key targets in the main zone in the center of the historic Bottle Creek Mercury District. One of these targets is the projected intersection of the Water Canyon vein trend and a key mineralized range front fault target on the west side of the center of the Bottle Creek district.

On August 10, 2012 the Company completed the dissolution of Bottle Creek Exploration LLC a 60% owned joint venture subsidiary. Per the terms of the dissolution of the subsidiary the Bottle Creek exploration claims as well as all assets and liabilities were transferred in the name of Golden Gryphon USA, with the Company retaining its 60% interest in the exploration claims only. Red Ore Gold remains the operator of the exploration program.

The business relationship between Golden Gryphon and Galahad/Red Ore remains contentious. The company is confident, however, that it can proceed with the planned exploration programs expeditiously.

Rye Patch Property - Nevada

On April 20, 2011, the Company announced that it has signed a Letter of Intent (LOI) with Gold Range Company LLC (GRC) to explore and develop their Rye Patch gold-silver-tungsten-antimony property in Pershing County, Nevada.

On November 5, 2011, the Company announced that it had signed a definitive Option Lease Agreement Gold Range Company LLC (GRC). The Rye Patch property is comprised of 75 unpatented lode claims and one patented lode claim, covers approximately 1,500 acres and 2.5 miles of prospective strike length over the productive Humboldt Thrust Fault.

The terms of the definitive Option Lease Agreement are:

1) The Company will make a US$10,000 payment upon signing the Letter of Intent;

2) The Company will make a US$10,000 payment upon signing the option lease agreement;

3) The Company will make a US$20,000 payment on the 1st anniversary of signing the lease option agreement;

4) The Company will make a US$30,000 payment on the 2nd anniversary of signing the lease option agreement;

5) The Company will make a US$50,000 payment on the 3rd anniversary of signing the lease option agreement;

6) The Company will make a US$100,000 payment on the 4th anniversary of signing the lease option agreement;

7) The Company will make a US$ 200,000 payment on the 5th anniversary of signing the lease option agreement and thereafter for a total of 20 years renewable in 20 year increments.

The advance royalty payments shall be deductible from future production royalties.

GRC retains a 5% NSR which shall be subject to a buy-down clause in favour of RXX to 3% NSR for US$3,000,000 and to an additional buy-down to 1.5% NSR for an additional amount of US$3,000,000. The advance production royalty payments shall be deductible from future production royalties. There are no work commitments in the deal.

The Rye Patch Property (including the historic Rye Patch and Agness Mines) is believed to host the potential to develop large gold-silver bulk mineable mineralization similar to the adjacent Florida Canyon and Standard open pit / heap leach mines hosted in carbonate rocks of the Triassic age Grass Valley, Natchez Pass and Prida Formations.

Discovered about 1860, the Rye Patch Mine is reported by the Nevada Bureau of Mines and Geology to have produced more than 600,000 ounces of silver by 1870. In 1954 they reported that 80 tons of high grade tungsten ore was produced and also that minor high grade antimony was produced during the 1960’s.

The mineralized gold-silver zone has been traced in outcrop for more than 2.5 miles and occupies a north-south trending structural corridor 400 to 1,000 feet in width along a major thrust fault. Mineralization on the south end of the corridor is silver dominated, progressively becoming enriched in gold from the south to the north where historic surface grab samples range from 1.25 to 3.44 grams per tonne (.04 to .11 ounces per ton) gold in the mineralized zone in the Prida and Rochester Rhyolite Formations. Antimony-rich veins are frequently associated with gold mineralization and historic surface grab samples from the central portion of the main corridor have yielded results to 1.25 grams per tonne (.041 ounces per ton) gold and 291 grams per tonne (9.3 ounces per ton) silver.

Locally extensive mine working to only a depth of 61 meters (200 feet) explore the historic Rye Patch Mine zone, near the southern portion of the property. Additional small mine workings are present along the entire strike of the mineralized corridor. Most of the historic workings below surface are accessible but none have been mapped or sampled. The property has never been drilled.

Pogonip Ridge – Nevada

On May 19, 2011, the Company announced that it has signed a Letter of Intent (LOI) with Gold Range Company LLC (GRC) to explore and develop their Pogonip gold-silver property in White Pine County, Nevada.

On October 5, 2011, the Company announced the results from its due-diligence grab sampling and property visit to the Pogonip Ridge Property, Nevada this September 2011.

The results ranged from 9.9 to 258.0 g/t Ag , trace to 1.4 g/t Au, trace to 2.9% copper, trace to 18% lead and trace to 27.5% zinc. Results are tabulated below:

SAMPLE	**Selected Composite Grab Samples**	**Au**	**Ag**	**Cu**	**Pb**	**Zn**
		g/t	g/t	%	%	%
57769	Pit, South Boundary with Roco-Homestake Mine	1.405	248.0	2.91	18.15	0.27
57770	Dump, South Boundary with Roco-Homestake Mine	0.017	64.3	0.65	2.42	20.6
57771	Dump, Tonopah-Belmont Mine	0.049	9.9	0.02	0.65	0.12
57772	Dump, Mary-Ellen Mine	0.08	258.0	0.07	17.15	22.3
57773	Dump, Mary-Ellen Mine	0.008	18.5	0.01	0.65	27.5
57774	Dump, Mary-Ellen Mine	0.103	169.0	0.03	8.37	0.77

The due diligence property visit has revealed that mineralization observed in the historic workings is both high-grade and extensive. Drilling beneath the shallow workings is highly warranted.

On October 13, 2011, the Company announced the staking of 86 additional unpatented lode mining claims in north-central Nevada covering a total of 1,777 acres (719 hectares) strategically located between Ely Gold's and Solitario's Mt. Hamilton Gold-Silver Project and their own Pogonip Ridge Silver-Gold Property. This more than doubles the size of the Red Ore Gold's property to 3,120 acres (1,262 hectares).

On November 5, 2011, the Company announced that it had signed a definitive Option Lease Agreement with Gold Range Company LLC (GRC). The Agreement on the Pogonip Ridge property has 58 unpatented lode claims, 16 patented lode claims and one patented mill site, comprised of approximately 725 hectares covering a 3 km strike length of highly favourable prospective geology.

The terms of the definitive Option Lease Agreement are:

1) The Company will make a US$5,000 payment upon signing the letter of intent (non-refundable);

2) The Company will make a US$15,000 payment upon signing an option lease agreement;

3) The Company will make a US$20,000 payment on the 1st anniversary of signing the lease option agreement;

4) The Company will make a US$30,000 payment on the 2nd anniversary of signing the lease option agreement;

5) The Company will make a US$50,000 payment on the 3rd anniversary of signing the lease option agreement;

6) The Company will make a US$100,000 payment on the 4th anniversary of signing the lease option agreement;

7) The Company will make a US$200,000 payment on the 5th anniversary of signing the lease option agreement and thereafter for a total of 20 years;

The advance royalty payments shall be deductible from future production royalties.

Gold Range Company has reserved a 4% NSR on all materials produced or sold from the property. The Company has a right to "buy-down" the NSR for US$ 1,000,000 per point or pro-rata portion thereof to a minimum NSR of 1.5%. There are no work commitments in the deal.

The Pogonip Ridge Property (which includes the historic Tonopah-Belmont and Mary Ellen Mines and portions of the Rocco-Homestake Mine) offers excellent potential for the discovery of a multi-million ounce sediment hosted gold-silver and/or silver-gold bearing polymetallic carbonate replacement (manto) deposits. The property lies along Nevada's prolific Battle Mountain-Eureka Trend within the central part of the lead-silver zone of the White Pine Mining District.

The famed White Pine Mining District has recorded past production exceeding two million ounces of gold and 30 million ounces of silver with known significant resources of molybdenum, copper and tungsten. The potential for Pogonip Ridge is deemed to be very prospective as little to no modern mineral exploration has occurred in this silver District since the discovery of the Carlin-type gold deposits in the mid 1960s.

The Pogonip Ridge property highly prospective Paleozoic platform carbonate sediments are known to host significant gold and silver resources along both the Battle Mountain and nearby Carlin trends but have not experienced the level of exploration seen elsewhere along the Battle Mountain-Eureka Trend. Numerous unexplored structural environments occur or can be projected into the favourable stratigraphic horizons. This stratigraphic setting is similar to that of other rich silver deposits in the White Pine District. Historical mine maps of the Mary Ellen Mine indicate the presence of gold up to 8.4 g/t.

Subsequent to the end of the quarter the Company was served notice that it was in default of its option and land management payments pertaining to the Pogonip Ridge property. Management has acknowledged that it is in default, and is looking to remedy the default situation in full upon completion of the ongoing financing which was proposed under the TSX Venture listing application.

SELECTED INTERIM INFORMATION

The following table contains selected financial information of the Company for the period ended October 31, 2012 and April 30, 2012.

	Year ended April 30, 2012	**Period ended October 31, 2012**
Revenue	Nil	Nil
Total expenses	$ 1,318,969	$ 354,436
Net loss for the year attributable to the parent	$ 1,246,365	$ 356,394
Loss on derecognition of Bottle Creek Exploration LLC	$ -	$ 124,873
Basic and diluted loss per common share	$ 0.09	$ 0.03

	As at April 30, 2012	**As at October 31, 2012**
Total assets	$ 190,845	$ 75,443
Total long-term financial liability	NIL	$ 157,298
Cash dividends per common share	NIL	NIL

The chart below presents the summary financial information of Red Ore Gold Inc.:

Consolidated Statement of Position	Balance as of October 31 2012 $	Consolidated Statement Comprehensive Loss	Period ended October 31 2012 $
Current assets	75,443	Operating expenses	(354,436)
Current liabilities	519,364	Other items	1,958
Noncurrent liabilities	157,298	Total loss	(481,267)
Shareholders' equity	(601,219)		

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss for the Period End

Total expenses for the period ended October 31, 2012, were $354,436 (October 31, 2011 - $707,019).

Management and directors fees increase by $16,500 due to directors fees which were granted in Q1 2013 but not Q1 2012. Professional fees for the company were lower by $218,287 in the first half 2013 compared to 2012. The reason for the decrease is that there were sufficient legal fees incurred in preparing for the initial public offering in the fall of 2012 compared to the listing application in 2013. Exploration expenses were approximately $63,360 lower in 2013 compared to 2012. This is due to the fact that in 2013 the company was focused primarily on the listing application with the TSX Venture and as a result did not carry on as much exploration on its properties as in the same period last year. Promotion and investor conference expense was $22,935 lower in 2013 due to the Company attending fewer conferences will focusing on completing its listing application. There was no compensation share expense in 2013 compared to $69,700 in 2012. This is due to no contractor shares being issued in 2013.

Finance costs for the period ended October 31, 2012, were $7,995 (October 31, 2011 – $903). Foreign exchange gain on US dollar denominated balances and transactions for the period ended October 31, 2012, were $710 (October 31, 2011 – $386).

The company realized other income of $6,748 for the period ending October 31, 2012.

Net loss attributable to the parent for the period ended October 31, 2012, was $356,394 (October 31, 2011 - $708,308). Basic and diluted loss per common share for the period ended October 31, 2012, was ($0.03) (October 31, 2011 – ($0.08)).

The Company had a loss on the discontinuation of Bottle Creek Exploration operations of $124,873 for the period ending October 31, 2012. The October 2011 income statement has been restated to show what the loss on discontinuation of operations of Bottle Creek Exploration would have been in for the six months ending October 31, 2011. The Company would have had a loss on discontinuation of operations of $50,682.

As of October 31, 2012, no economically viable mineral reserves were discovered on the Company's exploration properties. Management has expensed direct exploration of $117,722. Management will continue to assess the properties for economically feasible reserves.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance new and existing exploration activities.

Quarterly results

Quarter	**Net Loss ($)**	**Loss/share ($)**	**Total Assets ($)**	**Shareholder's Equity attributable to owners of the Parent ($)**	**Non controlling interest ($)**
Q2/2013 **	(299,179)	(0.03)	75,443	(601,219)	-
Q1/2013	(182,088)	(0.01)	90,400	(521,596)	5,954
Q4/2012	(151,903)	(0.01)	190,845	(342,200)	7,396
Q3/2012	(350,593)	(0.03)	381,666	(225,386)	141,720
Q2/2012	(581,116)	(0.05)	556,370	(466,094)	136,257
Q1/2012	(223,243)	(0.02)	636,856	(121,954)	7,704
Y/E April 30, 2011 *	(521,216)	(0.15)	492,904	78,403	(14,888)

* The Company was incorporated on January 13, 2011. The first reporting date was a stub 4 month year-end of April 30, 2011.
** On August 10, 2012 the Company dissolved its joint venture subsidiary Bottle Creek Exploration LLC.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

Exploration and evaluation costs – Exploration and evaluation costs of mineral exploration properties together with direct exploration and development expenditures are only capitalized when the Board of Directors is convinced that the Company has an economically feasible mineral reserve located on one of its exploration properties. Until that point, all exploration and evaluation costs are expensed until an economically feasible reserve is identified.

Income taxes - The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense or development property and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2012, the Company had cash totaling at $37,850. During the period ended October 31, 2012, the Company obtained/spent cash of $NIL through investing activities, received $57,926 through financing activities and paid net cash of $147,423 from operating activities.

The Company has financed its operations from inception to date through the issuance of equity securities. The Company has budgeted exploration work programs, administrative and other expenses that exceed available cash resources. As at October 31, 2012, the Company had total cash of $37,850 of which none is restricted to exploration on the Bottle Creek property. The Company requires additional funding to be able to further its existing exploration projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its properties and generation of profitable operations in the future.

Financing Transactions

2013 issuance

In the third quarter, the Company issued 670,000 units to investors at a price of $0.10 per unit for gross proceeds of $67,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share exercisable with 120,000 and 550,000 September 21, 2014 and October 10, 2014 respectively.

On November 21, 2012 the Company issued 550,000 units to investors at a price of $0.10 per unit for gross proceeds of $55,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share exercisable with a maturity date of November 21, 2014. On the same date the Company also issued 50,000 common shares to 2232097 Ontario Ltd. under the land management agreement.

2012 issuance

On May 5, 2011, the Company issued 935,000 units to investors at a price of $0.50 per unit for gross proceeds of up to $467,500 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.75 per common share exercisable on or before January 31, 2013.

On June 13, 2011, after consultation through PI with respect to pricing of the common shares to be issued in connection with the Red Ore Gold's proposed IPO, the Board of Directors passed a resolution to effectively reduce the price of the April private placement from $0.50 per unit to $0.25 per unit and to amend the warrant exercise price to $0.40, down from $0.75. To give effect to the foregoing dilution, as of July 31, 2011, the Board of Directors approved the issuance of double the number of previously issued compensation shares, and the issuance of rights to the investors who participated in Red Ore Gold's initial private placement which closed on May 5, 2011. The rights offering allowed investors to subscribe for an additional 935,000 common shares at a price of $0.01 per share. In connection with this rights offering, the warrants previously issued to the investors were amended to increase the number of warrants granted to equal the total number of common shares originally subscribed for by such investors, and to reduce the exercise price to $0.40. A total of 935,000 warrants were issued in the May 5, 2011, private placement with an exercise price of $0.75 per share. As a result of the adjustment the Company recalled the outstanding warrants and issued 1,870,000 warrants with an exercise price of $0.40 per common share.

On July 8, 2011, Galahad Metals Inc. declined to exercise their rights offering to acquire an additional 8,838,939 shares. Prior to the expiry date of the rights on August 31, 2011, the Company had received executed rights offerings from all other shareholders, as well as proceeds of $9,350, and issued 935,000 common shares at a price of $0.01 per share. There were no warrants offered in conjunction with these shares.

On October 24, 2011, the Company issued 100,000 units to investors at a price of $0.10 per unit for gross proceeds of $10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On October 27, 2011, the Company issued 600,000 units to investors at a price of $0.10 per unit for gross proceeds of $60,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On October 28, 2011, the Company issued 100,000 units to investors at a price of $0.10 per unit for gross proceeds of $10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On November 16, 2011, the Company issued 775,000 units to investors at a price of $0.10 per unit for gross proceeds of $77,500 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On December 1, 2011, the Company issued 2,250,000 units to investors at a price of $0.10 per unit for gross proceeds of $225,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On December 29, 2011, the Company issued 2,460,000 units to investors at a price of $0.10 per unit for gross proceeds of $246,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

On January 4, 2012, the Company issued 1,150,000 common shares to officers and consultants of the Company. These shares have a deemed value of $0.10 per common share and have no warrants associated with the share issuance.

On January 11, 2012, the Company issued 200,000 common shares per the Pogonip and Ryepatch land management agreement. The shares have a deemed value of $0.10 per common share and have no warrants associated with the share issuance.

On January 20, 2012, the Company issued 100,000 units to investors at a price of $0.10 per unit for gross proceeds of $10,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.20 per common share exercisable on or before November 1, 2013.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at December 14, 2012, October 31, 2012 and April 30, 2012, are as follows:

	December 14, 2012	**October 31, 2012**	**April 30, 2012**
Common shares	19,713,939	19,113,939	18,443,939
Stock options	1,550,000	1,550,000	1,550,000
Warrants	9,974,500	9,424,500	8,754,500
Fully diluted shares outstanding	31,283,439	30,088,439	28,748,439

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable excluding sales tax receivable, accounts payable and amount due to parent company. The fair value of these instruments approximates the carrying value due to their short-term nature.

Per financial instrument:

	Financial Instrument Classification	**Carrying amount $**	**Fair value $**
Financial assets			
Cash	Financial assets through profit and loss	37,850	37,850
Accounts receivable	Loans and receivables	25,995	25,995
Financial liabilities			
Accounts payable	Loans and borrowings	492,180	492,180
Due to parent company	Loans and borrowings	27,184	27,184
Convertible debenture	Loans and borrowings	157,298	157,298

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at October 31, 2012, the Company does not have any Level 3 financial instruments.

As at October 31, 2012	**Level 1** **$**	**Level 2** **$**
Financial assets at fair value		
Cash	37,850	
Convertible debenture		157,298
Total level financial assets at fair value	**37,850**	**157,298**

As at April 30, 2012	**Level 1** **$**
Financial assets at fair value	
Cash	127,347
Total financial assets at fair value	**127,347**

Cash in the bank

The cash is held in reputable national banks, where funds are held in Canadian and US currencies. Fair value has been taken for Canadian denominated funds by reference to the bank balance per the monthly bank statement at the end of the reporting period. Fair value has been taken for United States denominated funds by reference to the bank balance per the monthly bank statements at the end of the reporting period translated using the end of the day foreign exchange rate posted on the Bank of Canada website.

Convertible debenture

The fair value of the convertible debenture was calculated using the Black Scholes model in which the difference between the principal value of the debt and the fair value utilizing a 15% implicit rate of $31,245 has been recorded as equity with the remaining $155,175 allocated to long-term debt upon initial recognition. The discount on the debentures is being accreted such that the liability at maturity will equal the face value of $186,420.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Market rate risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company currently does not have any outstanding interest bearing assets or liabilities nor does it have any outstanding loans receivable. As a result the Company does not have any exposure to fluctuations in the interest rate. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts.

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting.

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Exposure to currency exchange rates arises from the Company's project in the United States and as a result expenditures are in US dollars. The Company also holds a bank account in US dollars.

To mitigate the exposure to foreign currency risk the Company typically holds funds in US dollars for short term expenditures. When vendors require significant payment in USD the company will usually purchase the required US currency the same day it makes the payment to the vendor.

The Company does not enter into any forward exchange contracts to mitigate the exposure to foreign currency risk.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amount shown in the table below are those reported to key management in United States dollars.

	Short-term exposure October 31, 2012	**Short-term exposure April 30, 2012**
Financial assets	US$ 1,502	US$ 56,076
Financial liabilities	(40,390)	(26,162)
Total exposure	US$ (38,888)	US$ 29,914

Exposures to foreign exchange rates vary over the year depending on the volume of expenditures on the Nevada properties located in the United States. None the less, the analysis above is considered to be representative of the Company's exposure to currency risk.

The Company does not have significant US dollar or other foreign denominated transactions and is therefore not exposed to foreign exchange risk, aside from the broad economic impacts on the Canadian economy as a whole.

Commodity and equity price risk

The Company is exposed to a price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to precious and base metals and other minerals, to determine the appropriate course of action to be taken by the Company.

Commodity price can adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. A decline in the market price of precious and base metals and other minerals may require the Company to reduce mineral resources, which could have a material and adverse effect on its value.

As at October 31, 2012, the Company was not a precious metal, base metals and other minerals producer. Even so, commodity prices may affect the completion of future equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet ongoing obligations.

Credit risk

Credit risk arises due to the potential for one party to a financial instrument to fail to discharge it obligations and cause the other party to suffer a loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and receivables. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash and cash equivalents with financial institutions that are believed to be creditworthy.

The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognized at the reporting period, as summarized below.

	October 31, 2012	**April 30, 2012**
Classes of financial assets – carrying amounts		
Cash	$ 37,850	$ 127,347
Accounts receivable	25,995	10
	$ 63,845	**$ 127,357**

The Company continues to monitor default of accounts receivable and other counterparties and incorporates this information into its credit risk control. The company policy is to deal only with creditworthy counterparties.

Key management of Red Ore considers all of the above financial assets not to be impaired or past due for the above mentioned reporting date and are of good credit quality. None of the financial assets are secured by collateral or other credit enhancements.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled exploration and evaluation activity as well as forecasted cash inflows and outflows due in day to day business. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods.

The Company maintains cash to meet its liquidity requirements for a 30 day period at a minimum. Funding for long term liquidity needs is based on the ability of the company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

As at October 31, 2012, the Company had cash of $37,850 to settle current liabilities of $519,364.

The Company considers expected cash flow from financial assets in managing liquidity risk, in particular its cash resources and accounts receivable The Company's existing cash resources currently do not meet the current cash outflow requirements. As a result, the Company is at a risk of not being a going concern if management is unable to raise the appropriate funds prior to the maturity of the financial liabilities. Appropriate going concern disclosure have been made in the consolidated financial statements.

Fair value of financial instruments

Financial instruments consist of cash, accounts receivable, accounts payable, and amount due to parent company. At October 31, 2012 and April 30, 2012, there were no significant differences between the carrying amounts reported on the balance sheet and their estimated fair values.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Transactions with key management personnel

Key management of the company are members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, Vice President of Exploration, and President. Key Management remuneration includes the following:

	April 30, 2012	October 31, 2012
Short-term key management benefits		
Compensation including bonuses	$ 334,973	$ 112,903
Long-term key management benefits		
Share based payments	166,629	-
Total remuneration	**$ 501,602**	**$ 112,903**

BOARD PURPOSE AND FUNCTION

The directors and management of the parent company have extensive experience operating in the United States and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of four members.

Except as disclosed below, Red Ore Gold Inc. is not aware of any director or of the families of any directors, having any interest, direct or indirect, in any transaction during the last financial year or in any proposed transaction with any company in the Red Ore Gold Inc. and its subsidiary which has affected or will materially affect Red Ore Gold Inc. or its subsidiary.

DIRECTORS AND OFFICERS, CHANGES

On July 3, 2012 the Company announced the resignation of Mr. Michael Zamora as President of and Red Ore Gold Inc., effective immediately.

On September 19, 2012, Robin Dow resigned as the CEO of Red Ore Gold. The Board of Directors appointed Larry Hoover as the new President and CEO of the Company. Mr. Hoover has been a director of the Company since January 2011.

Robin Dow, Chairman, reports: "I am extremely pleased to see Larry take on the responsibility of growing the Company from the strong base established to date. Larry's scientific background, coupled with his enthusiasm will bring focused direction for the Company."

Mr. Hoover is an analytical chemist, who for the past 5 years, focused primarily on consulting for junior mineral explorers providing diverse services including research and analysis, report generation, investor relations, and fund-raising assistance. Mr. Hoover is also a director of Galahad Metals.

On October 24, 2012 during the Company's annual general meeting Patricia Purdy was appointed as a director or Red Ore Gold.

QUALIFIED PERSON

The Company relies on Gary Smith, P. GEO, as the Qualified Person as defined under National Instruments 43-101. Mr. Smith has read and approved the technical information contained in this MD&A. The disclosure on mineralization on properties has not been verified by Mr. Smith and is not necessarily indicative of the Company's anticipated resulted. Where provided, potential quantity and grade is conceptual in nature as the Company has not conducted sufficient exploration to define resources and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

INVESTOR RELATIONS

As at the date of this Management Analysis and Discussion, Red Ore Gold Inc., has not yet signed a contract with an investor relation company. Once the listing application is completed and the Company obtains a listing on the TSX Venture it will focus on hiring an investor relations firm.

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Currently, there are no material transactions being pursued or negotiated by the Company that is not otherwise disclosed herein.

CONTRACTUAL OBLIGATIONS

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments except for those related to property option agreements and as disclosed below. Any commitments under exploration property option agreements are cancellable at the Company's option but would result in forfeiture of rights under those agreements.

a) The Company had a commitment to pay PI a total of $50,000 for their acceptance to act as the Company's advisor, which has expired. As at October 31, 2012, the Company had two monthly installments of $6,250 owing; and
b) The Company has a commitment with its Chief Financial Officer in which the Company guarantees a minimum of 250 billable hours at an hourly rate of $100 per hour over a 3 year term ending December 31, 2013.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external

purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.
Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

EVENTS AFTER THE REPORTING DATE

On November 21, 2012, the Company issued 550,000 units to investors at a price of $0.10 per unit for gross proceeds of $55,000 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.15 per common share exercisable with a maturity date of November 21, 2014. On the same date the Company also issued 50,000 common shares to 2232097 Ontario Ltd. under the land management agreement.

On December 10, 2012, the Company was served notice that it was in default of its option and land management payments pertaining to the Pogonip Ridge property. Management has acknowledged that it is in default, and is looking to remedy the default situation in full upon completion of the ongoing financing which was proposed under the TSX Venture listing application.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved.

<u>Exploration Stage Company</u>

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits with the discovery of gold being the Company's focus. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that any of the Company's property interests can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time of which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Economic Risk

The price of gold and other minerals fluctuate. The future direction of the price of any mineral will depend on numerous factors beyond the Company’s control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of minerals and therefore on the economic viability of the Company’s properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of gold.

Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company’s management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Industry Conditions

The exploration and development of mineral deposits involve significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as mineral prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Value of Our Common Shares

The value of the Company’s common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company’s operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Title to Property

Although the Company has obtained title opinions with respect to certain of its properties and has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Uninsured Hazards

The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors of the Company also serve as Directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its mining activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

Land Claims

At the present time, none of the properties in which the Company has an interest or an option to acquire an interest is the subject of an aboriginal land claim. However, no assurance can be provided that such will not be the case in the future.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

<u>Mineral Price Fluctuations</u>

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include but are not limited to demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

<u>Operating in Foreign Jurisdictions</u>

The Company operates in the United States of America and as a result is exposed to a level of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in a foreign country in which it operates may adversely affect business operations.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually develop our mineral properties.

To proceed with this strategy, the Company will have, subsequent to the year end, completed a private placements and listing application with the TSX Venture. These funds will be used to advance geological work on the Bottle Creek property as well as commence exploration programs on the Company's Ryepatch and Pogonip properties.

Red Ore Gold Inc. short term list of objectives is as follows:

1) Complete listing application for a listing of the Red Ore common shares on the TSX Venture Exchange.
2) Concurrent with the listing application hold a private placement to raise proceeds of approximately $1,200,000.
3) Commence a drill program on the Ryepatch claims and Bottle Creek claims upon completion of the above mentioned private placement.

While management has been successful in obtaining sufficient funding for its operating, capital and exploration requirements from the inception of the Company to date there is, however, no assurance that additional future funding will be available to the Company or that, when it is required it will be available on terms which are acceptable to Management.

OTHER INFORMATION

Other information and additional disclosure of the Company's technical reports, material change reports, new releases, and other information may be found on the Company's website http://redoregold.com/.

CORPORATE INFORMATION

Directors and Officers
Robin Dow, HBA, MBA, FCSI – Chairman
Larry Hoover – Director, President and CEO
Sabino Di Paola, CA – CFO
Michael Newman – Director
Robert Schellenberg, CPA – Director
Patricia L. Purdy – Director and Corporate Secretary
Garry Smith – VP Exploration

Corporate Office
3642 Marine Dr., West Vancouver, British Columbia, V7V 1N3

Operating Office
2742 St. Joseph Blvd. Suite 205, Orleans, Ontario, K1C 1G5
1-613-834-7708

Web Site
http://redoregold.com/

Symbol
RXX (not yet listed on any stock exchange)

Independent Auditor
James Stafford Chartered Accountants

Corporate Banker
Royal Bank of Canada, Ottawa

Transfer Agent
Capital Transfer Agency Inc., Toronto