

FAR RESOURCES LTD.

Form 51-102F1

Management's Discussion and Analysis

The following discussion and analysis (the "MD&A") of the financial condition and results of the operations of Far Resources Ltd. ("the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six month periods ended September 30, 2011 and should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the corresponding period and the Company's financial statements for the three most recently completed fiscal years ended March 31, 2011 (audited), March 31, 2010 (unaudited) and March 31, 2009 (unaudited). All figures are in Canadian dollars unless otherwise stated.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

Disclaimer

Except for statements of historical facts relating to the Company, this MD&A contains "forward-looking statements" within the meaning of applicable securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws.

Forward-looking statements may include, but are not limited to, statements with respect to the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of future exploration programs, capital expenditures, success of exploration activities, permitting time lines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of transactions and future listings and regulatory approvals. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information in this MD&A includes, among other things, disclosure regarding: the Company's mineral properties as well as its future outlook, the timing of completion of the Company's initial public offering and listing of the Company's common shares on the Canadian National Stock Exchange, statements with respect to the success of exploration activities, permitting time lines, costs and expenditure requirements for additional capital, regulatory approvals, as well as the information under the headings "Overall Performance", "Liquidity" and "Capital Resources".

In making the forward looking statements in this MD&A, the Company has applied certain factors and assumptions that it believes are reasonable, including that there is no material deterioration in general business and economic conditions; that the Company completes its initial public offering and listing on the Canadian National Stock Exchange on a timely basis, that the timing, costs and results of the Company's recommended exploration programs on its Tchentlo Lake property are consistent with the Company's current expectations; that the Company receives regulatory and governmental approvals and permits for its properties on a timely basis; that the Company is able to obtain financing for its properties on reasonable terms and on a timely basis; that the Company is able to procure equipment and supplies in sufficient quantities and on a timely basis; that engineering and exploration timetables and capital costs for the Company's exploration plans are not incorrectly estimated or affected by unforeseen circumstances or adverse weather conditions; that any environmental and other proceedings or disputes are satisfactorily resolved; and that the Company maintains its ongoing relations with its business partners.

However, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors may include, among others, delays in or failure to complete the initial public offering and/or

listing of the Company's shares on the Canadian National Stock Exchange, actual results of current and proposed exploration activities; actual results of reclamation activities; future metal prices; accidents, labor disputes, adverse weather conditions, unanticipated geological formations and other risks of the mining industry; delays in obtaining governmental or regulatory approvals or financing or in the completion of exploration activities, as well as those factors discussed in the section entitled "Risks and Uncertainties " in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

1.1 Date

This MD&A is dated as of November 28, 2011.

1.2 Overall Performance

Description and General Development of the Business

Although incorporated in 2005, the Company has carried out only limited and sporadic business and exploration activities to date.

From 2005 to 2007 the Company's activities were focused primarily on raising seed capital and investigating potential mineral resource properties for acquisition and exploration.

In late 2007, the Company staked the Tchentlo Lake property (the "**Tchentlo Lake Property**") approximately 25 kilometres south of a new discovery of porphyry copper-gold mineralization by Serengeti Resources Ltd.(TSXV - SIR) 130 kilometres northwest of Fort St. James, B.C. Initially, the Tchentlo Lake Property comprised five claim blocks totaling approximately 5,000 hectares and was acquired to cover various airborne magnetic highs interpreted to be possible intrusive centers localized along the Pinchi Fault Zone, a major northwest trending structure that forms the western boundary of the Quesnel Trough.

Between late 2007 and 2009, the Company funded a reconnaissance soil geochemical survey designed to evaluate the southern most claim blocks along the main Pinchi Fault Zone comprising approximately 2,500 hectares. The results of the initial survey were negative and in 2010 the Company allowed such blocks to lapse with a view to focusing exploration work on the two most northerly blocks (referred to as the North Block and the South Block). The North and South Block comprise approximately 2,500 hectares and cover possible extensions of the rocks that host the Indata property of Eastfield Resources Ltd. (TSXV – ETF) (the "**Indata Property**") and the former Placer Dome property (explored for gold in 1990) located approximately 20 kilometers to the southeast of Indata Property (formerly referred to as the "**Lo Property**").

During 2010, the Company's activities focused on reviewing published technical data for the Indata Property and compiling historic technical information available for the former Placer Dome Lo Property (now covered by the South Block). Although there is no detailed surface exploration data available for the North Block geological maps published by Eastfield Resources Ltd. and regional airborne magnetic data (available from the BC Ministry of Energy and Mines) suggests the rock units that host mineralization on the Indata Property extend into the North Block.

Between January 1, 2011 to May 31, 2011, the Company sold a total of 6,200,000 seed units (the "**Seed Units**") at a price of \$0.05 per Seed Unit for gross proceeds of \$310,000 to fund, inter alia, the costs of going public and the ongoing day to day operations of the Company. See Item 1.6 "Liquidity" below. Each Seed Unit consists of one common share (a "**Common Share**") and one share purchase warrant (a "**Seed Warrant**"). Each Seed Warrant entitles the holder thereof to purchase an additional common share (a "**Seed Warrant Share**") at a price of \$0.15 (\$0.05 prior to September 3, 2011) on or before June 30, 2012.

On November 3, 2011 the Company obtained a receipt for its (final) prospectus dated October 31, 2011 (the "**Prospectus**") qualifying for sale in the Provinces of British Columbia, Alberta and Ontario an initial public offering of a minimum of 3,000,000 Common Shares and a maximum of 4,000,000 Common Shares at a price of \$0.15 per share for gross proceeds of a minimum of \$450,000 and a maximum of \$600,000 (the "**IPO**"). In addition, the Canadian National Stock Exchange (the "**Exchange**") has conditionally listed the Common Shares for trading, subject to the Company fulfilling all of the Exchange's listing requirements including distribution requirements. A copy of the Company's Prospectus is filed on SEDAR and can be obtained at www.sedar.com.

Currently, the Tchentlo Lake Property encompasses six mineral tenures totaling 2,507.94 hectares in two separate claim blocks expiring on May 1, 2012. The North Block consists of three contiguous mineral tenures (1,196.19 hectares) and the South Block consists of three contiguous mineral tenures (1,311.75 hectares). The Tchentlo Lake Property is 100% owned by the Company and was staked at a total cost of \$28,260.

As of September 30, 2011, the Company had incurred geological consulting fees of \$18,213 and maintenance cost of \$1,000 on the Tchentlo Lake Property.

The Tchentlo Lake Property is an early stage gold/copper exploration prospect. Upon completion of the IPO, the Company plans to carry out Stage 1 and, if warranted, Stage 2 of the recommended exploration program on the Tchentlo Lake Property. Stage 1 consists of widely spaced grid soil geochemical surveys on the North Block and a combined verification and grid based soil geochemical survey on the South Block designed to confirm previous gold in soil anomalies identified by Placer Dome on its Lo Property (now covered by the South Block) and determine if the anomalous zone continues to the southeast. The estimated cost of Stage 1 is \$60,000. If Stage 1 confirms the presence of elevated gold, arsenic and antimony values in soils or identifies any significant copper anomalies, a follow up Stage 2 program of fill-in soil sampling and trenching would be warranted at an estimated cost of \$220,000. See Item 1.7 "Capital Resources" below.

Additional information on the Tchentlo Lake Property can be obtained from the technical report of C. Von Einsiedel, P.Geo., dated effective July 30, 2011 and entitled "Review of Technical Information and Proposed Exploration Program for the Tchentlo Lake Property" (the "**Tchentlo Lake Report**") prepared in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). The full text of the Tchentlo Lake Hill Report may be accessed on the SEDAR website at www.sedar.com.

There is no known body of ore of commercial grade or tonnage on the Tchentlo Lake Property. The purpose of the IPO is to, inter alia, raise funds to carry out exploration work with the objective of establishing ore of commercial tonnage and grade. If the Company's exploration programs are successful, additional funds will be required for the development of an economic ore body and to place it in commercial production. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future on satisfactory terms or at all. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans. See Item 1.6, "Liquidity", Item 1.7 "Capital Resources" and Item 1.15 "Other MD&A Requirements – Risks and Uncertainties".

1.3 Selected Annual Information

The following table sets forth selected financial information for the Company expressed in Canadian dollars for the three most recently completed financial years ended March 31, 2011, March 31, 2010 and March 31, 2009 and should be read in conjunction with the Company's financial statements and related notes for such periods. A copy of such financial statements is included in the Prospectus.

	(IFRS) ⁽¹⁾	(IFRS) ⁽¹⁾	(CGAAP) ⁽²⁾
	For the Fiscal	For the Fiscal	For the Fiscal
	Year ended	Year ended	Year ended
	March 31, 2011	March 31, 2010	March 31, 2009
Revenue	\$ -	\$ -	\$ -
Expenses	\$ 73,086	\$ 30,179	\$ 50,369
Total comprehensive loss	\$ (73,086)	\$ (30,179)	\$ (50,369)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)
Working capital (deficiency)	\$ (28,523)	\$ 18,276	\$ 48,455
Mineral property interests	\$ 46,973	\$ 28,260	\$ 28,260
Total assets	\$ 119,741	\$ 67,114	\$ 93,307
Total long-term financial liabilities	\$ -	\$ -	\$ -
Deficit	\$ (547,550)	\$ (474,464)	\$ (444,285)
Weighted average number of shares outstanding	6,883,289	6,880,001	6,860,822

(1) This information has been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

(2) This information has been prepared in accordance with Canadian generally accepted accounting principles (“CGAAP”).

1.4 Results of Operations

For the Fiscal Year Ended March 31, 2011

During the fiscal year ended March 31, 2011, the Company’s business consisted primarily of raising seed capital and reviewing and compiling published and historical technical information with respect to its Tchentlo Lake Property in preparation for filing of the Prospectus and seeking a listing of the Company’s Common Shares on the Exchange.

During the year, the Company incurred \$18,213 in exploration consulting fees and maintenance costs of \$500 in respect of the Tchentlo Lake Property. Upon completion of the IPO, the Company will proceed to carry out the recommended Stage 1 exploration program on the Tchentlo Lake Property. See Item 1.2 “Overall Performance”.

The Company also incurred general and administrative expenses of \$73,086 during the year comprised mainly of management fees of \$30,000 to one of the Company’s executive officers (see Item 1.9 “Transactions with Related Parties”) and professional fees of \$30,000 comprised of accounting fees to update the Company’s financial and accounting records in preparation for the audit of the Company’s financial statements for the fiscal year ended March 31, 2011 and audit fees incurred in connection with the audit of such financial statements. The Company also incurred property investigation costs of \$10,000 to investigate and conduct due diligence on a mineral resource prospect in Argentina that the Company decided not to pursue and additional consulting fees of \$2,500 in respect of general business advice. Office expenses totaled \$586 for the year.

Overall, the Company’s comprehensive loss for the year totaled \$73,086 or \$0.01 per share (basic and diluted).

As at March 31, 2011 the Company had total assets of \$119,741 including cash of \$52,768, mineral property costs of \$46,973 and deferred finance costs of \$20,000 representing legal fees incurred by the Company in connection with the raising seed capital and preparation of the Prospectus. Total liabilities of the Company as at March 31, 2011 were \$81,291 and consisted solely of accounts payable and accrued liabilities.

For the Fiscal Year Ended March 31, 2010

During the fiscal year ended March 31, 2010, the Company carried out only sporadic and limited operations earning no revenue and incurring management fees of \$30,000 (i.e. \$2,500 per month) to one of the Company's executive officers (See Item 1.9 "Transactions with Related Parties"). Office expenses for the year ended March 31, 2010 were \$179. The Company did not expend any funds on the Tchentlo Lake Property during the year.

As a result, the Company's comprehensive loss for the fiscal year ended March 31, 2010 was only \$30,179 or \$0.00 per share (basic and diluted).

As at March 31, 2010 the Company had total assets of \$67,114 compared to total liabilities of \$20,578.

For the Fiscal Year Ended March 31, 2009

During the fiscal year ended March 31, 2009, the Company's activities were limited to raising seed capital and staking portions of the Tchentlo Lake Property.

The Company raised a total of \$60,000 through the sale of 400,000 Common Shares at a price of \$0.15 per share and staked a portion of the Tchentlo Lake Property at a cost of \$18,260.

The Company earned no revenue during the year but incurred general and administrative expenses of \$50,369. The largest expense consisted of management fees of \$30,000 (\$2,500 per month) to one of the Company's executive officers and property investigation costs of \$10,500 related to the Company's investigation of additional mineral resource properties for potential acquisition. The Company also incurred professional fees of \$9,780 in respect of accounting services and office expenses of \$89.

For the year, the Company's comprehensive loss was \$50,369 or \$0.01 per share (basic and diluted).

As at March 31, 2009 the Company had total assets of \$93,307 and total liabilities of \$16,592.

Dividend Report and 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.

1.5 Summary of Quarterly Results

The Company was incorporated on July 7, 2005 and became a reporting issuer in the Provinces of British Columbia, Alberta and Ontario on November 3, 2011. Accordingly, the Company was not required to and did not prepare quarterly statements for any fiscal years prior to March 31, 2011. A summary of selected financial information for the three month periods ended June 30, 2011 and September 30, 2011 is set out below and should be read in conjunction with the Company's unaudited interim financial statements and related notes for such periods.

The following information has been prepared using accounting principles consistent with IFRS and in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, and is expressed in Canadian dollars.

	(IFRS) Three Months Ended September 30, 2011	(IFRS) Three Months Ended June 30, 2011
Revenue	\$ -	\$ -
Expenses	\$ 216,265	\$ 34,527
Total comprehensive loss	\$ 216,265	\$ 34,527
Loss per share – basic and diluted ⁽¹⁾	\$ (0.02)	\$ (0.00)
Total assets	\$ 285,410	\$ 337,714
Total liabilities	\$ 108,067	\$ 88,791
Total shareholder’s equity	\$ 177,343	\$ 248,923
Weighted average number of shares outstanding	13,095,218	12,741,539

(1) Based on the weighted average number of shares outstanding during the period.

During the 6 month period ended September 30, 2011 the Company’s activities focused primarily on raising seed capital, preparing and filing of the Prospectus and implementing additional accounting and administrative systems and procedures in preparation of becoming a reporting issuer and the increased reporting and compliance requirements associated therewith. Save for maintenance fees of \$500, the Company did not incur any exploration or other expenses on the Tchentlo Lake Property during such period.

For the 3 month period ended September 30, 2011 the Company earned no revenue and incurred general and administrative expenses of \$216,265 compared to \$34,527 for the immediately preceding 3 month period ended June 30, 2011 and \$5,021 for the corresponding 3 month period ended September 30, 2010. Generally speaking, the increase in general and administrative expenses was the result of increased activity surrounding the IPO and the Company’s efforts to go public. See Item 1.2 “Overall Performance – Description and General Development of the Business”.

The largest increase was attributable to professional fees which increased from \$Nil for the 3 months ended September 30, 2010 to \$6,000 for the 3 months ended June 30, 2011 and \$42,051 for the 3 months ended September 30, 2011 due primarily to higher legal, accounting and other professional fees incurred in connection with the preparation of the Prospectus and the Company’s application for listing on the Exchange. The Company also incurred stock based compensation expense of \$139,685 in connection with the granting of incentive stock options to the Company’s directors and officers during the 3 months ended September 30, 2011 compared to \$Nil for each of the 3 months ended June 30, 2011 and September 30, 2010. See Item 1.15 “Other MD&A Requirements – Disclosure of Outstanding Security Data”.

During the six month period ended September 30, 2011, the Company also incurred management fees of \$3,000 per month, together with a one-time payment of \$3,000 in respect of past services, to the Company’s President and Chief Executive Officer and administrative fees of \$2,500 per month to a director (and former Secretary of the Company). Effective August 1, 2011, such administrative fees payable to such director were reduced to \$1,000 per month. See Item 1.9 “Transactions with Related Parties”. The Company also incurred consulting fees of \$3,000 per month to an arm’s length consultant engaged to assist the Company in organizing its affairs to go public.

As a result of the foregoing, the Company’s comprehensive loss for the 3 months ended September 30, 2011 was \$216,265 or \$0.02 per share (basic and diluted) compared to \$34,527 or \$0.00 per share (basic and diluted) for the immediately preceding 3 months ended June 30, 2011 and \$5,021 or \$0.00 per share (basic and diluted) for the corresponding 3 month period ended September 30, 2010.

As at September 30, 2011, the Company had total assets of \$285,410 consisting of cash of \$194,108, HST receivable and prepaid expenses of \$8,829, deferred financing costs of \$35,000 and mineral property costs of \$47,473.

The total liabilities of the Company as of September 30, 2011 were \$108,067 and consisted of accounts payable and accrued liabilities including \$48,078 due to a director (and former Secretary) in respect of accrued management and administrative fees. See Item 1.9 "Transactions with Related Parties" below.

1.6 Liquidity

The Company has not generated any revenue from operations and to date has relied entirely upon the sale, by way of private placement, of Common Shares and Seed Units to carry on its business. See Item 1.2 "Overall Performance" above.

The Company's financial statements have been prepared on a going concern basis and assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing.

	September 30, 2011	March 31, 2011
Working capital (deficiency)	\$ 94,870	\$ (28,523)
Deficit	(798,342)	(547,550)

Net cash used by operating activities for the period ending September 30, 2011 was \$93,160 compared to of \$12,541 during the period ending September 30, 2010 and consists primarily of the operating loss, stock-based compensation and changes in non-cash working capital items.

Net cash provided by financing activities for the period ending September 30, 2011 was \$235,000 compared to \$Nil during the period ending September 30, 2010. The difference is attributable to increased financings during the period ending September 30, 2011.

On November 3, 2011 the Company obtain a receipt for its (final) Prospectus dated October 31, 2011 qualifying for sale in the Provinces of British Columbia, Alberta and Ontario a minimum of 3,000,000 Common Shares and a maximum of 4,000,000 Common Shares at a price of \$0.15 per share for gross proceeds of a minimum of \$450,000 and a maximum of \$600,000. After agent's commission of 8% cash and the estimated balance of costs of issue of \$55,000, the Company anticipates receiving net proceeds of \$552,000 from the IPO assuming the maximum offering is sold (\$414,000 if only the minimum offering is sold) to fund the exploration of the Tchentlo Lake Property and for general working capital purposes. The Company anticipates completing the IPO in early December, 2011 and listing its common shares for trading on the Exchange shortly thereafter. The Exchange has conditionally accepted the Company's shares for listing, subject to fulfillment of all of the Exchange's listing requirements including, but not limited to, distribution requirements.

As of September 30, 2011, the Company had a working capital surplus of \$94,870 (unaudited) comprised of current assets of \$202,937 and accounts payable and accrued liabilities of \$108,067.

The Company anticipates that the net proceeds of the IPO, together with the Company's current working capital surplus, will be sufficient to enable the Company to carry out its proposed exploration programs on the Tchentlo Lake Property and satisfy its business and property commitments for the ensuing year. See Item 1.7 "Capital Resources" below.

1.7 Capital Resources

The Company needs to incur assessment work totaling approximately \$10,032 (2,507.94 hectares x \$4.00 per hectare) on its Tchentlo Lake Property prior to the expiry date of the mineral tenures comprised therein, being May 1, 2012, in order to keep such tenures in good standing. See Item 1.2 "Overall Performance – Description and General Development of the Business".

The Company plans to carry out the Stage 1 exploration program on the Tchentlo Lake Property recommended in the Tchentlo Lake Report during the winter/spring of 2012 to satisfy such assessment work, failing which the Company will pay cash in lieu thereof prior to the May 1, 2012 expiry date to renew the mineral tenures for an additional one year period. Stage 1 consists of widely spaced grid soil geochemical surveys on the North Block and a combined verification and grid based soil geochemical survey on the South Block designed to confirm the main gold in soil anomaly previously identified by Placer Dome and determine if the anomalous zone continues to the southeast. The estimated cost of Stage 1 is \$60,000.

In the event that Stage 1 confirms the presence of elevated gold, arsenic and antimony values in soils or identifies significant copper anomalies, a follow up Stage 2 program will consist of fill-in soil sampling and trenching at an estimated cost of \$220,000. The Company has reserved a total of \$220,000 from the anticipated net proceeds of the IPO assuming the maximum offering is sold (\$100,000 if only the minimum offering is sold) to carry out the Stage 2 exploration program. However, if the results from Stage 1 warrant further exploration the Company will not have sufficient funds from the IPO to fund the full cost of the recommended Stage 2 exploration program on the Tchentlo Lake Property if only the minimum offering is sold. In such event, the Company will require an additional \$120,000 to complete the entire Stage 2 program. Furthermore, if the results from Stages 1 and 2 are encouraging the Company will require further capital in order to complete additional exploration and development work on the Tchentlo Lake Property. There are no assurances that such additional funding will be available to the Company on commercially reasonable terms or at all. See Item 1.15 "Other MD&A Requirements – Risks and Uncertainties".

Notwithstanding the foregoing, if, at any time, the Company's board of directors deems continued use of exploration expenditures on the Tchentlo Lake Property to be unwarranted based on the results of exploration up to that time, the Company may suspend or discontinue exploration on such property and apply any remaining funds towards the acquisition and exploration of new properties or, if required, the general working capital of the Company.

Except as aforesaid, the Company does not have any commitments for material capital expenditures, there are no known trends or expected fluctuations in the Company's capital resources and the Company has no sources of financing that have been arranged but not yet used.

Contractual Obligations

Other than miscellaneous stock option and consulting agreements and the debt settlement agreement with Leon F. Anderson, a director of the Company, the Company does not presently have any other material contractual obligations. See Item 1.9 "Transactions with Related Parties".

As at September 30, 2011 the Company had no long term debt and no agreements with respect to borrowings had been entered into by the Company.

1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.9 Transactions with Related Parties

During the 6 month period ended September 30, 2011 the Company paid a total of \$21,000 in management fees to Keith C. Anderson in his capacity as the President and Chief Executive Officer of the Company.

During the same period, the Company paid a total of \$12,000 in administrative fees to Leon F. Anderson, a director and former Secretary of the Company, and \$6,000 in accounting fees to Davidson & Company LLP. Cyrus Driver, the Chief Financial Officer and a director of the Company, is a partner of Davidson & Company LLP.

A summary of the remuneration paid to the Company's directors and executive officers during the six month periods ended September 30, 2011 and September 30, 2010 is set out below:

Six months ended September 30,	Nature of transaction	2011	2010
Keith C. Anderson, CEO	Management fees	\$ 21,000	-
Leon F. Anderson, a director	Administrative fees	\$ 12,000	\$ 12,500
Davidson & Company LLP	Accounting	<u>6,000</u>	<u>-</u>
		\$ 39,000	\$ 12,500

The above transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

The liabilities of the Company include the following amounts due to related parties:

	September 30, 2011	March 31, 2011	April 1, 2010
Due to Davidson & Company LLP ⁽¹⁾	\$ 43,776	\$ 15,000	\$ -
Due to Leon F. Anderson, a director of the Company ⁽¹⁾⁽²⁾	<u>48,078</u>	<u>38,078</u>	<u>20,578</u>
	\$ 91,854	\$ 53,078	\$ 20,578

(1) These amounts are included in the Company's accounts payable.

(2) By debt settlement agreement dated July 20, 2011, the Company has agreed to pay to Mr. Anderson \$19,078, or approximately 50% of the outstanding fees of \$38,078 as at March 31, 2011, in cash and the remaining \$19,000 by way of the issuance of 126,666 Common Shares at a deemed price of \$0.15 per share, which shares have been qualified for distribution under the Prospectus and will be issued to Mr. Anderson concurrently with the closing of IPO.

On July 20, 2011 the Company granted stock options to its directors and officers to purchase up to a total of 1,100,000 Common Shares at a price of \$0.15 per share exercisable on or before the earlier of (i) the fifth anniversary of the date of listing of the Company's shares on the Exchange; and (2) November 30, 2016.

1.10 Fourth Quarter

N/A

1.11 Proposed Transactions

Save as disclosed herein, there are no asset or business acquisitions or dispositions currently being proposed by the directors or senior management of the Company that will have a material affect on the financial condition, results of operations or cash flows of the Company.

1.12 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reported period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made as at September 30, 2011 that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

- the carrying value and the recoverability of exploration and evaluation assets; and
- the deferred income tax asset allowance.

1.13 Changes in Accounting Policies including Initial Adoption

The accounting policies set out below are expected to be adopted by the Company for its fiscal year ending March 31, 2012 and have been applied consistently to all periods presented in the condensed interim financial statements of the Company for the six month period ended September 30, 2011 including comparatives and in preparing the opening IFRS balance sheet at April 1, 2010 contained herein.

Cash and cash equivalents

Cash is comprised of cash on hand and cash held interest. Cash equivalents are short-term, highly liquid holdings that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Receivables

Receivables are recorded at face value less any provisions for uncollectible amounts considered necessary.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

Mineral properties – exploration and evaluation assets

1. Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

2. Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Impairment of tangible and intangible assets

At the end of each reporting date, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in statement of comprehensive loss for the period. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that do not affect either accounting or taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Stock-based compensation

The Company grants stock options to acquire Common Shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based compensation is transferred to accumulated losses (deficit). The corporation estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the current and prior period this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted average number of common shares outstanding during the year.

Share issue costs

Share issue costs are deferred and charged directly to share capital on completion of the related financing. If the financing is not completed share issue costs are charged to operations.

New standards not yet adopted

In November 2009, the IASB published IFRS 9, "Financial Instruments", which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact on the Company upon implementation of the issued standard.

1.14 Financial and Other Instruments

Financial instruments

1. Financial Assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables ("LAR") - Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity ("HTM") - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

Available-for-sale ("AFS") - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

The Company classified its cash and cash equivalents as FVTPL.

2. Financial liabilities

Financial liabilities are classified in one of two categories, based on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities - This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company classified its financial liabilities which consisted of accounts payable, accrued liabilities and asset retirement obligations as other financial liabilities.

3. Impairment

All financial assets except for those at FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Capital and Financial Risk Management

1. Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. share capital and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue Common Shares through private placements. The Company is not exposed to any externally imposed capital requirements.

The Company's overall strategy remains unchanged from 2011.

2. Fair value

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.

The carrying value of cash and cash equivalents receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	September 30, 2011		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 194,108	\$ -	\$ -

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset backed commercial paper.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Company had a cash balance of \$194,108 (March 31, 2011 – \$52,768; April 1, 2010 - \$38,854) to settle current liabilities of \$108,067 (March 31, 2011 – \$81,291; April 1, 2010 - \$20,578). The Company is currently undergoing an IPO to obtain additional working capital to finance its ongoing operations.

Market risk

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

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's cash does not have significant exposure to interest. As of September 30, 2011, March 31, 2011 and April 1, 2010, the Company did not have any investments.

(b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. 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 of oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Save and except as aforesaid, there were no significant changes in the Company's accounting policies during the three month period ended September 30, 2010.

1.15 Other MD&A Requirements*Disclosure of Outstanding Security Data*

The authorized capital of the Company consists of an unlimited number of common shares without par value of which there were 13,180,001 Common Shares issued and outstanding as of November 28, 2011.

In addition, the Company has reserved for issuance a total of 4,000,000 Common Shares for sale pursuant to the IPO assuming the maximum offering is sold (3,000,000 Common Shares if only the minimum offering is sold). The Company has also agreed to issue to its agent for the IPO a total of 100,000 Common Shares of the Company as part of a corporate finance fee and agent's warrants to purchase that number of Common Shares equal to 10% of the total number of Common Shares sold under the IPO.

The following table summarizes those options, warrants and other rights to purchase Common Shares of the Company that are held or will be held upon completion of the IPO:

Group	Number of Optionees Within Group	Aggregate Number of Options	Exercise Price	Expiry Date
Stock Options				
Officers (including past and present executive officers) of the Company as a group	3	600,000	\$0.15	November 30, 2016
Directors (including past directors) of the Company who are not also executive officers as a group	2	500,000	\$0.15	November 30, 2016
All other employees of the Company as a group	Nil	N/A	N/A	N/A
All consultants of the Company as a group	Nil	N/A	N/A	N/A
Agent's Warrants				
Canaccord Genuity Corp.	Agent's Warrants	400,000 ⁽¹⁾	\$0.15	24 months from the closing date of the IPO
Seed Warrants				
Seed Warrants	Purchasers of Seed Units	6,100,000	\$0.15	June 30, 2012
TOTAL		7,600,000⁽²⁾		

(1) Assuming the maximum offering is sold. 300,000 Agent's Warrant Shares if only the minimum offering is sold.

(2) Assuming the maximum offering is sold. 7,500,000 options if only the minimum offering is sold.

There are no assurances that the options, warrants or other rights described above will be exercised or issued in whole or in part.

Except as disclosed above, there are no options, warrants or other rights to acquire common shares of the Company outstanding.

Additional Disclosure for Venture Issuers Without Significant Revenue

The following is a breakdown of the capitalized exploration costs incurred by the Company during the six month period ended September 30, 2011 and the corresponding six month period ended September 30, 2010:

	For the Six Months Ended September 30, 2011	For the Six Months Ended September 30, 2010
Consulting	-	-
Maintenance	\$500	\$500
TOTAL	\$500	\$500

A breakdown of the general and administrative expenses incurred by the Company for the three and six month periods ended September 30, 2011 and the corresponding three and six month periods ended September 30, 2010 is included in the Condensed Interim Statements of Comprehensive Loss forming part of the Company's unaudited interim financial statements for the period ended September 30, 2011.

Additional Disclosure for Junior Issuers

In addition to the proposed expenditures relating to the Tchentlo Lake Property (see Item 1.2 "Overall Performance" and Item 1.7 "Capital Resources" above), the Company expects to expend approximately \$204,000 during the next 12 months on general and administrative expenses as follows:

Type	Monthly Expense	Annual Expense
Executive compensation ⁽¹⁾	\$3,000	\$36,000
Consulting fees ⁽¹⁾	\$1,000	\$12,000
Director fees ⁽²⁾	\$1,500	\$18,000
Administration/Bookkeeping	\$2,500	\$30,000
Rent, general office and business expenses	\$1,500	\$18,000
Professional fees	\$3,500	\$42,000
Transfer Agent & Filing Fees	\$1,500	\$18,000
Telephone and other miscellaneous costs	\$500	\$6,000
Investor Relations & Shareholder Comm.	\$1,500	\$18,000
Travel/Transportation	\$500	\$6,000
TOTAL	\$17,000	\$204,000

(1) This amount includes budgeted management and administrative fees payable to the President and Chief Executive Officer of the Company and a director of the Company. See Item 1.9 "Transactions with Related Parties" above.

(2) It is anticipated that following completion of the IPO, the Company will pay a directors' fee of \$500 per month (\$6,000 per annum) to its 3 other directors in their capacities as directors of the Company.

The Company has allocated sufficient funds from the estimated net proceeds of the IPO to cover approximately one year's estimated general and administrative expenses after which time the Company will require additional funds to satisfy its ongoing expenses.

There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. See "Risks and Uncertainties" below.

Risks and Uncertainties

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in the Company's case given its formative stage of development.

Exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that the Company's exploration will result in the discovery of an economically viable mineral deposit. The Company has generated losses to date and while following completion of the IPO the Company anticipates that it will have sufficient financial resources to undertake its planned exploration programs for the ensuing year, it will require additional funds to further explore its properties. There is no assurance such additional funding will be available to the Company on commercially reasonable terms or at all. Additional equity financing may result in substantial dilution thereby reducing the marketability of the Company's shares. The Company's activities are subject to the risks normally encountered in the mining exploration business. The economics of exploring, developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of any ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects. The Company's mineral resource properties have not been surveyed and may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. In addition, the Company may become subject to liability for hazards against which it is not insured. The mining industry is highly competitive in all its phases and the Company competes with other mining companies, many with greater financial and technical resources, in the search for, and the acquisition of, mineral resource properties and in the marketing of minerals. Additional risks include the current lack of any market for the Company's securities and the present intention of the Company not to pay dividends. Certain of the Company's directors and officers also serve as directors or officers of other public and private resource companies, and to the extent that such other companies may participate in ventures in which the Company may participate, such directors and officers of the Company may have a conflict of interest. Finally, the Company has no history of earnings, and there is no assurance that any of its current or future mineral properties will generate earnings, operate profitably or provide a return on investment in the future. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

For a more detailed discussion of the risk factors affecting the Company and its exploration activities, please refer to the Prospectus which can be assessed on the SEDAR website at www.sedar.com.

Internal Control over Financial Reporting Procedures

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the statements made in this MD&A and the Company's unaudited financial statements for the three and six month periods ended September 30, 2011 (together the "Interim Filings").

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.