NULEGACY GOLD CORPORATION

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 NuLegacy Gold Corporation ("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, 2010 and should be read in conjunction with the Company's unaudited interim financial statements and related notes for the corresponding period and the Company's audited financial statements for the period from incorporation on May 15, 2009 to March 31, 2010. All figures are in Canadian dollars unless otherwise stated. Where applicable, United States dollars (US$) have been converted to Canadian dollars using the noon rate of exchange as reported by the Bank of Canada on November 5, 2010, being US$1.00 equals CDN$1.0015.

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 estimated future production, 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 IPO and listing of the Company's common shares on the TSX Venture Exchange, statements with respect to the success of exploration activities, permitting time lines, costs and expenditures 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 the IPO and listing of its common shares on the TSX Venture Exchange on a timely basis, that the timing, costs and results of the Company's recommended exploration programs on its Red Hill and Wood Hills South properties 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 IPO and/or listing of the Company's shares on the TSX Venture 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 26, 2010.

1.2 Overall Performance

Description and General Development of the Business

The Company is engaged in the acquisition, exploration and, if warranted, development of mineral resource properties.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on May 15, 2009 under the name "NuLegacy Gold Corporation". To date, the Company's business has consisted primarily of raising seed capital, acquiring an interest in the Red Hill and Wood Hills South mineral properties and carrying out initial exploration work thereon with a view to completing an initial public offering of the Company's common shares and the listing of such shares for trading on the TSX Venture Exchange (the "**Exchange**").

During the period from incorporation on May 15, 2009 to September 30, 2010 the Company sold a total of 28,555,001 common shares at prices ranging from $0.01 per share to $0.20 per share for net proceeds (after share issue costs) of $2,064,876 and 1,655,000 special warrants ("**Special Warrants**") at a price of $0.20 per Special Warrant for gross proceeds of $331,000. Subsequent to September 30, 2010, the Company sold an additional 3,918,750 Special Warrants at a price of $0.20 per Special Warrant for additional proceeds of $783,750 for a total of 5,573,750 Special Warrants or $1,114,750. See Item 1.6 "Liquidity" below. Each Special Warrant entitled the holder to acquire, without payment of additional consideration, upon deemed exercise thereof, one common share and one warrant to purchase an additional common share at a price of $0.30 on or before the earlier of (a) December 31, 2012 and (b) 12 months from the date of listing of the Company's shares on the Exchange (the "**Listing Date**").

On November 12, 2010 the Company obtained a receipt for its (final) prospectus dated November 10, 2010 (the "**Prospectus**") qualifying for sale in the Provinces of British Columbia, Alberta and Ontario and the Yukon Territory an initial public offering of 4,000,000 units (the "**Units**") at a price of $0.25 per Unit for gross proceeds of $1,000,000 (the "**IPO**"), each Unit consisting of one common share and one transferable share purchase warrant to purchase an additional common share at a price of $0.35 for a period of 12 months following the Listing Date. The Prospectus also qualified the distribution of the 5,573,750 common shares and 5,573,750 share purchase warrants issuable pursuant to the deemed exercise of the 5,573,750 previously issued Special Warrants of the Company.

The Exchange has conditionally listed the Company's 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 Company has the right to acquire an interest in two primary, early stage gold exploration projects located in central and eastern Nevada which have characteristics similar to Carlin-style sedimentary rock hosted gold deposits in Nevada, namely the "Red Hill Property" and the "Wood Hills South Property".

The Red Hill Property, located in Eureka County, Nevada, encompasses 1,379 unpatented lode mining claims covering approximately 45 square miles in Eureka County, Nevada and is comprised of three separate claim blocks: the Miranda Property, the Barrick Property and the Idaho Property.

The Miranda property consists of 79 unpatented mining claims comprising approximately 1,125 hectares (2,780 acres) in Eureka County, Nevada (the "**Miranda Property**"). Pursuant to an exploration agreement with option to form joint venture dated October 1, 2009, as amended September 1, 2010 (the "**Miranda Agreement**") between the Company and Miranda U.S.A. Inc. ("**Miranda**"), the Company has the right to acquire an initial 60% undivided interest in the Miranda Property by paying US$11,000 cash (paid), issuing 200,000 common shares (issued) and incurring annual exploration expenditures aggregating US$4,000,000 over a period of five years. Upon earning such 60% interest, the Company shall have the option of acquiring an additional undivided 10% interest (70% interest in total) in the Miranda Property by either (i) preparing a bankable feasibility report and incurring additional exploration expenditures of US$1,000,000 per year over a period of four years or (ii) incurring additional exploration expenditures of US$1,000,000 per year over a period of ten years for cumulative additional expenditures of US$10,000,000.

As of September 30, 2010, the Company had incurred exploration expenditures of $248,804 (inclusive of property maintenance costs of $45,258) on the Miranda Property comprised of, among other things, geologic interpretation of existing data and a CSAMT geophysical survey, along with an IP/Resistivity survey, completed in January and February 2010 designed to, among other things, identify drill targets for the Company's next phase of exploration.

The Barrick property consists of 818 unpatented lode mining claims comprising approximately 25 square miles adjacent to and partially surrounding, to the north, west and south, the Miranda Property in Eureka County, Nevada (the "**Barrick Property**"). Pursuant to an exploration agreement with joint venture election and option to purchase dated September 16, 2010 (the "**Barrick Agreement**") between the Company and Barrick Gold Exploration Inc. ("**Barrick**"), the Company has the right to earn a 70% undivided interest in the Barrick Property by spending a total of US$5,000,000 in exploration or development expenditures on the Barrick Property over a period of five years expiring December 31, 2015, of which US$1,250,000 in expenditures is a firm commitment. If the Company earns a 70% undivided interest in the Barrick Property, Barrick will have a one time option, exercisable within 90 days, to "back-in" to a 70% undivided interest in the Barrick Property by spending US$15,000,000 in exploration, development or mining expenditures within a period of 5 years at a rate of at least US$1,500,000 per year. If Barrick exercises the back-in right and incurs the requisite expenditures, the Company's remaining 30% interest in the Barrick Property will be "carried" by Barrick until commercial production.

The Idaho property consists of 482 unpatented mining claims comprising approximately 15 square miles directly east and adjacent to the Miranda Property and the Barrick Property in Eureka County, Nevada (the "**Idaho Property**"). On October 18, 2010 the Company entered into a mining lease dated effective September 1, 2010 (the "**Idaho Lease**") with Idaho Resources Corporation ("**Idaho**") pursuant to which the Company acquired exclusive possession and control of the Idaho Property to carry out, among other things, exploration, development and mining operations thereon. In order to maintain the Idaho Lease in good standing the Company must make annual advance royalty payments of US$25,000 and issue 100,000 common shares of the Company to Idaho in each of the first five years of the Idaho Lease. Thereafter, the annual cash payments will increase to US$50,000 for year six and every year thereafter. In addition, the Company must incur a total of US$4,000,000 in exploration, development or mining work (inclusive of property maintenance costs) on the Idaho Property during the initial five years of the Idaho Lease.

As of September 30, 2010, the Company had only incurred geological consulting fees and office expenses of $3,486 on the Barrick Property and $226 in geological consulting expenses on the Idaho Property having just entered into the Barrick Agreement and the Idaho Lease, respectively. See Item 1.5 "Summary of Quarterly Results" for details of certain expenses incurred by the Company in evaluating the Barrick and Idaho properties for acquisition.

The Wood Hills South Property consists of 451 unpatented lode mining claims and 29,120 hectares (71,954 acres) of fee lands located in Elko County, Nevada. Pursuant to an exploration earn-in agreement dated December 8, 2009 (the "**AuEx Agreement**") between the Company and AuEx, Inc. ("**AuEx**") the Company has the right to acquire a 70% undivided interest in Wood Hills South Property by paying US$20,000 cash (paid), incurring US$5,000,000 in exploration expenditure on the Wood Hills South Property and producing a bankable feasibility study within a period of seven years.

As of September 30, 2010 the Company had incurred a total of $192,254 in exploration expenditures on the Wood Hills South Property (inclusive of property maintenance costs of $77,139) in carrying out, among other things, a preliminary soil sampling program and IP survey over a portion of the Wood Hill South Property with a view to identifying potential anomalies upon which to focus the more detailed soil sampling and gravity survey contemplated in the recommended phase 1 work program for the Wood Hills South Property.

The Company has allocated a total of $1,256,884 (US$1,255,000) out of its current working capital surplus and the anticipated net proceeds from the IPO (collectively the "**Available Funds**") to fund Phases 1 and 2 of the recommended work program on the Red Hill Property and $73,100 (US$73,000) out of the Available Funds to carry out Phase 1 of the recommended work program on the Wood Hills South Property. See Item 1.6 "Liquidity" below.

The recommended Red Hill program consists of two phases. Phase 1 consists of mapping and sampling of areas of outcrops and subcrops, compilation and review of historic data on the newly acquired Barrick and Idaho portions of the Red Hill Property and five reverse circulation drill holes totaling approximately 7,500 feet at an estimated cost of $317,976 (US$317,500). Phase 2 of the Red Hill program consists of further compilation and evaluation of historic data from the Barrick and Idaho properties, mapping and sampling, an expanded IP survey, permitting and 15 reverse circulation holes totaling approximately 22,500 feet, the details of which will be determined from the results of Phase 1 and the Phase 2 exploration evaluation, at a cost of $938,906 (US$937,500). On or about November 10, 2010 the Company commenced Phase 1 of the Red Hill program with a view to completing same prior to December 31, 2010 in order to satisfy the Company's exploration commitment (inclusive of property maintenance costs) of US$300,000 for the Miranda Property by the December 31, 2010 deadline set out in the Miranda Agreement. See Item 1.7 "Capital Resources" below. Results from the Phase 1 work program will be announced by the Company when available.

Additional information on the Red Hill Property can be obtained from the technical report of Nancy J. Wolverson, C.P.G. dated April 9, 2010, as amended October 21, 2010 and entitled "Technical Report on the Red Hill Property, Eureka County, Nevada (the "**Red Hill Report**") prepared in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). The full text of the Red Hill Report may be accessed on the SEDAR website at www.sedar.com.

The recommended Wood Hills South program is comprised of two phases. Phase 1 consists of surveying the entire pediment for outcrop and sampling all hydrothermally altered rocks, detailed structural mapping, conducting a detailed gravity survey over the southernmost portion of the property and data compilation at an estimated cost of $73,110 (US$73,000). Contingent upon positive results from phase 1, the recommended phase 2 program consists of drilling 50 shallow holes totaling approximately 10,000 feet to test the depth to bedrock and character of the top 20 metres of bedrock as determined by the results of the gravity survey in phase 1 at an estimated cost of $300,450 (US$300,000).

Additional information on the Wood Hills South Property can be obtained from the technical report of Nancy J. Wolverson, C.P.G. dated March 31, 2010, as amended October 27, 2010 and entitled "Technical Report on the Wood Hills South Property, Elko County, Nevada (the "**Wood Hills South Hill Report**") prepared in compliance with NI 43-101. The full text of the Wood Hills South Report may be accessed on the SEDAR website at www.sedar.com.

Effective January 1, 2010 the Company entered into an exploration agreement with option to form joint venture (the "**Bravo Agreement**") with Bravo Alaska Inc. ("**Bravo**") to earn an undivided 70% interest in 49 unpatented mining claims located in Eureka County, Nevada (the "**Half Ounce Property**") by issuing 50,000 common shares to Bravo (issued) and incurring US$1,500,000 in exploration expenditure on the Half Ounce Property within a period of five years. As of September 30, 2010 the Company had satisfied its first year's work commitment on the Half Ounce (HO) Property by completing 3 CSAMT survey lines at a cost of $18,132 and incurring an additional $7,843 in property maintenance costs.

There is no known body of ore of commercial grade or tonnage on any of the Company's mineral resource properties. 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 dilute, 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 for the period from May 15, 2009 (date of incorporation) to March 31, 2010 and should be read in conjunction with the Company's audited financial statements and related notes for such period. A copy of such audited financial statements is included in the Prospectus.

The following information has been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and is expressed in Canadian dollars.

	For the period May 15, 2009 (date of incorporation) to March 31, 2010 (audited)
Revenues	N/A
Expenses General and Administrative	 $245,121
Loss before other item Other item: Foreign exchange (gain) loss	$245,121 $43,372
Loss and comprehensive loss	$288,493
Loss/share – basic and fully diluted	($0.01)
Working Capital	$1,162,544
Mineral Property Costs	$249,589
Total Assets	$1,589,518
Total Long-Term Financial Liabilities	N/A
Retained Earnings (Deficit)	($308,493)
Number of shares outstanding at period end	26,985,001

1.4 Results of Operations

For the Period from May 15, 2009 (date of incorporation) to March 31, 2010

To date the Company's business has consisted of the raising of seed capital, the acquisition of the Red Hill, Wood Hills South and Half Ounce (HO) properties and carrying out initial exploration thereon.

During the period from incorporation on May 15, 2009 to March 31, 2010 the Company incurred $21,604 in acquisition costs and $156,230 in deferred exploration expenses for the Red Hill Property and $21,088 in acquisition costs and $32,535 in deferred exploration expenses for the Wood Hills South Property. The Company also incurred $18,132 in exploration expenses on the Half Ounce (HO) Property.

For the period from the date of incorporation on May 15, 2009 to March 31, 2010 the Company earned no revenue and incurred general and administrative expenses of $245,121 comprised primarily of consulting fees of $145,769 to, among others, the Company's executive officers, professional fees of $46,495 relating to, inter alia, legal and audit fees incurred in connection with the Company's efforts to go public and the preparation of the Prospectus and travel and accommodation expenses of $28,469.

After accounting for a foreign exchange loss of $43,372, the Company's loss and comprehensive loss for the period from incorporation on May 15, 2009 to March 31, 2010 was $288,493 or $0.01 per share (basic and diluted).

As at March 31, 2010 the Company had total assets of $1,589,518 consisting of cash and cash equivalents of $1,291,960, a tax receivable of $7,969 and mineral property costs of $249,589 and other assets of $40,000.

The total liabilities of the Company as of March 31, 2010 were $137,385 and consisted of accounts payable and accrued liabilities of $130,060 and an amount due to a related party of $7,325.

The Company has not paid any dividends to date. See "Dividend Report and Policy" below.

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 following table sets forth selected financial information for the Company for the six most recently completed fiscal quarters of the Company since its incorporation on May 15, 2009 for which Company prepared quarterly financial statements and should be read in conjunction with the Company's unaudited interim financial statements and related notes for such periods. The Company was not a reporting issuer during any of these quarters.

The following information has been prepared in accordance with Canadian GAAP and is expressed in Canadian dollars.

	2010			***2009***		
	Sep. 30	***June 30***	***Mar. 31 (1)***	***Dec. 31 (1)***	***Sep. 30***	***June 30 (2)***
Revenues	*Nil*	*Nil*	-	-	*Nil*	*Nil*
Loss Before other items	*(213,976)*	*(77,393)*	-	-	*(87,188)*	*(52)*
Loss per share before other items – basic and diluted (3)	*(0.01)*	*(0.00)*	-	-	*(0.01)*	*(0.00)*
Other Items:						
Foreign exchange (gain) loss	*15,052*	*(19,832)*	-	-	-	-
Interest income	*(34)*					
Write-off of receivable	*11,107*					
Loss and comprehensive loss	*(240,101)*	*(57,561)*	-	-	*(87,188)*	*(52)*
Loss and comprehensive loss per share – basic and diluted (3)	*(0.01)*	*(0.00)*	-	-	*(0.01)*	*(0.00)*
Shares Outstanding	*28,522,392*	*27,051,357*	-	-	*11,781,630*	-

(1) The Company was not a reporting issuer and did not prepare financial statements for this quarter.

(2) For the period from incorporation on May 15, 2009 to June 30, 2009

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

During the 6 month period ended September 30, 2010 the Company incurred $47,316 in deferred exploration expenses and $45,258 in property maintenance costs on the Miranda Property, $3,486 in geological consulting and office expenses on the Barrick Property and $226 in geological consulting costs on the Idaho Property. In addition, the Company incurred $82,714 in deferred exploration expenses and $77,005 in property maintenance costs on the Wood Hills South Property and $7,843 in property maintenance costs on the Half Ounce Property. See Item 1.15 "Other MD&A Requirements - Additional Disclosure for IPO Venture Issuers Without Significant Revenue" below.

For the 3 month period ended September 30, 2010 the Company earned no revenue and incurred general and administrative expenses of $213,976 compared to $77,393 for the immediately preceding 3 month period ended June 30, 2010 and $87,188 for the corresponding 3 month period ended September 30, 2009. Generally speaking, the increase in general and administrative expenses was the result of increased activity surrounding the IPO and the Company's acquisition of the Barrick and Idaho properties during the period (see Item 1.2 "Overall Performance – Description and General Development of the Business"). The largest increase was attributable to professional fees which increased from $3,265 for the 3 months ended September 30, 2009 to $32,924 for the 3 months ended June 30, 2010 and $85,937 for the 3 months ended September 30, 2010 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 property evaluation fees of $30,730 and travel and accommodation expenses of $13,521 during the 3 months ended September 30, 2010 principally in connection with its initial due diligence and evaluation of the Barrick and Idaho properties . By comparison, travel and accommodation expenses were $5,849 for the 3 months ended

June 30, 2010 and $5,505 for the corresponding 3 months ended September 30, 2009. The Company also incurred an insurance expense of $2,228 during the 3 months ended September 30, 2010 in connection with obtaining general liability insurance for its operations. Consulting fees for the 3 months ended September 30, 2010 totaled $74,636 and were only slightly higher than the $66,015 incurred in the corresponding 3 months ended September 30, 2009 and consisted primarily of fees paid to the Company's executive officers. The lower consulting fees of $30,750 for the 3 month period ended June 30, 2010 was due primarily to a reallocation of fees paid to certain of the Company's executive officers between the 3 month periods ended June 30, 2010 and March 31, 2010. See Items 1.9 and 1.15 "Transactions with Related Parties" and "Other MD&A Requirements – Additional Disclosure for Junior Issuers" below.

The increase in general and administrative expenses for the 3 months ended September 30, 2010 was slightly offset a reduction in general office expenses to $3,622 from $6,456 during the immediately preceding 3 months ended June 30, 2010 and $8,169 for the corresponding 3 months ended September 30, 2009.

Due to fluctuations in the US$/CDN$ exchange rates during the period, the Company incurred a foreign exchange loss of $15,052 for the 3 months ended September 30, 2010 compared to a foreign exchange gain of $19,832 for the immediately preceding 3 months ended June 30, 2010. After adjusting for such foreign exchange loss, interest income of $34 and the write off of a receivable of $11,107, the Company's loss and comprehensive loss for the three month period ended September 30, 2010 was $240,101 or $0.01 per share (basic and diluted) compared to $57,561 or $0.00 per share (basic and diluted) for the immediately preceding 3 months ended June 30, 2010 and $87,188 or $0.01 per share (basic and diluted) for the corresponding 3 month period ended September 30, 2009.

As at September 30, 2010 the Company had total assets of $1,972,153. See "Assets and Property" below.

The total liabilities of the Company as of September 30, 2010 were $182,432 and consisted of accounts payable and accrued liabilities.

1.6 Liquidity

The Company has not generated any revenue from operations and the only source of financing to date has been the prior issuance, by way of private placement, of 28,555,001 common shares at prices ranging from $0.01 per share to $0.20 per share for net proceeds (after share issue costs) of $2,064,876 and 5,573,750 Special Warrants at a price of $0.20 per Special Warrant for gross proceeds of $1,114,750. See Item 1.2 "Overall Performance" above.

On November 12, 2010 the Company obtain a receipt for its (final) Prospectus dated November 10, 2010 qualifying for sale in the Provinces of British Columbia, Alberta and Ontario and the Yukon Territory a total of 4,000,000 Units at a price of $0.25 per Unit for gross proceeds of $1,000,000. After agent's commission of $92,000 and the estimated balance of costs of issue of $100,000 the Company anticipates receiving net proceeds of $820,000 from the IPO to fund the continued exploration of its mineral resource properties and for general working capital purposes. The IPO is subject to an over-allotment option (the "**Over-Allotment Option**") in favour of the Company's agent to sell up to an additional 600,000 Units at a price of $0.25 per Unit for additional gross proceeds of $150,000 (net $138,000 after agent's commission). The Company anticipates completing the IPO in early December, 2010 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.

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 Red Hill and Wood Hills South properties and satisfy its business and property commitments for the ensuing year. See Item 1.7 "Capital Resources" below.

Working Capital

As of September 30, 2010, the Company had a working capital surplus of $1,250,034 (unaudited) comprised of current assets of $1,432,466 and current liabilities of $182,432. Subsequent to September 30, 2010 the Company sold an additional 3,918,750 Special Warrants at a price of $0.20 per Special Warrant for additional gross proceeds of $783,750.

Cash and Cash Equivalents

On September 30, 2010, the Company had cash and cash equivalents of $1,411,911 (unaudited). Management of cash balances is conducted in-house based on internal investment guidelines. Cash and cash equivalents are deposited with major Canadian financial institutions. Cash required for immediate operations is held in a chequing account. Excess of funds may be invested in conservative money market instruments that bear interest and carry a low degree of risk. Some examples of instruments in which the Company may invest its cash are treasury bills, money market funds, bank guaranteed investment certificates and bankers' acceptance notes. The objective of these investments is to preserve funds for the advancement of the Company's properties.

Cash Used in Operating Activities

Cash used in operating activities was $184,206 during the 3 month period ended September 30, 2010 compared to $91,212 for the corresponding 3 month period ended September 30, 2009. Cash was mostly spent on general and administrative costs, professional fees and consulting fees, travel and accommodation, property evaluation and prepaids and deposits.

Cash Used in Investing Activities

Total cash used in investing activities during the period the 3 month period ended September 30, 2010 was $79,919 (2009 - $0) and consisted of exploration expenditures and maintenance fees for the Company's Red Hill, Wood Hills South and Half Ounce Properties.

Cash Generated by Financing Activities

Total cash generated by financing activities during the 3 month period ended September 30, 2010 was $351,000. The funds were obtained through the issuance of 100,000 units at a price of $0.20 per unit for gross proceeds of $20,000, each unit consisting of one common share and one warrant to purchase an additional common share at $0.30 on or before the earlier of (a) December 31, 2012 and (b) 12 months from the Listing Date. The Company also sold a total of 1,655,000 Special Warrants at a price of $0.20 per Special Warrant for gross proceeds of $331,000.

Subsequent to September 30, 2010, the Company sold, by way of private placement, an additional 3,918,750 Special Warrants at a price of $0.20 per Special Warrant for additional gross proceeds of $783,750.

Requirement of Additional Equity Financing

The Company has relied entirely on equity financings for all funds raised to date for its operations. The Company will need more funds to secure the acquisition of its optioned mineral properties and to fund the exploration and development thereof. Until the Company starts generating profitable operations from exploration, development and sale of minerals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions pursuant to private placements, the exercise of warrants and stock options, and short term or long term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms. See Item 1.7 "Capital Resources" and Item 1.15 "Other MD&A Requirements - Risk and Uncertainties" below.

1.7 Capital Resources

The Company needs to incur US$200,000 of exploration expenditures on the Miranda portion of the Red Hill Property before July 1, 2010 (completed), a further $300,000 of expenditures by December 31, 2010 and an additional US$500,000 by September 30, 2011 in order to keep the Miranda Agreement in good standing. As of September 30, 2010, the Company had incurred approximately $248,804 (US$248,431) (unaudited) of exploration costs that count towards the required minimum amount of exploration expenditures to be incurred. Thereafter, the Company will need to fund an additional US$3,000,000 between October 1, 2011 and September 30, 2014 to keep the Miranda

Agreement in good standing. See Item 1.2 "Overall Performance – Description and General Development of the Business".

The Company is also required to incur, as a firm commitment under the Barrick Agreement, US$375,000 in exploration expenditures on the Barrick portion of the Red Hill Property before December 31, 2011 and a further US$875,000 by December 31, 2012. Thereafter, the Company will need to fund an additional US$3,750,000 between January 1, 2013 and December 31, 2015 to keep the Barrick Agreement in good standing. See Item 1.2 "Overall Performance – Description and General Development of the Business".

Furthermore, the Company must incur, as a firm commitment under the Idaho Lease, US$250,000 in exploration expenditures on the Idaho portion of the Red Hill Property before September 1, 2011 and a further US$750,000 by September 1, 2012. Thereafter, the Company will need to fund an additional US$3,000,000 between September 2, 2012 and September 1, 2015 to keep the Idaho Lease in good standing. See Item 1.2 "Overall Performance – Description and General Development of the Business".

The Company plans to carry out the recommended Phase 1 and Phase 2 exploration programs on the Red Hill Property contained in the Red Hill Report to satisfy the majority of its exploration commitments under the Miranda Agreement, the Barrick Agreement and the Idaho Lease for 2011. Phase 1 consists of, among other things, mapping and sampling of outcrops and subcrops, compilation and review of historic data on the newly acquired Barrick and Idaho portions of the Red Hill Property, and five reverse circulation drill holes totaling 7,500 feet at an estimated cost of $317,977 (US$317,500). Phase 2 consists of further compilation and evaluation of historic data on the Barrick and Idaho properties, mapping and sampling, an expanded IP survey, permitting and 15 reverse circulation holes totaling approximately 22,500 feet, the details of which will be determined from the results of Phase 1 and the Phase 2 exploration evaluation, at an estimated cost of $938,907 (US$937,500). To finance the recommended exploration programs, the Company intends to utilize its existing working capital surplus and the net proceeds of the IPO. In addition, the Company has allocated a further $187,781 (US$187,500) from the Available Funds to carry out further exploration work (including payment of BLM claim assessment fees and property taxes) on the Red Hill Property in 2011 in order to satisfy its remaining exploration commitments for 2011 under the Miranda Agreement, the Barrick Agreement and the Idaho Lease. Additional debt or equity financing will be required to finance further exploration and development programs on the Red Hill Property. See Item 1.15 "Other MD&A Requirements – Risks and Uncertainties".

In addition to the foregoing, the Company needs to incur US$150,000 of exploration expenditures on the Wood Hills South Property before December 8, 2010 and another US$250,000 of expenditures by December 8, 2011 in order to keep the AuEx Agreement in good standing. As of September 30, 2010, the Company has incurred approximately $192,254 (US$191,966) (unaudited) of exploration costs on the Wood Hills South Property that count towards the required minimum amount of exploration expenditures to be incurred. Thereafter, the Company will need to fund an additional US$4,600,000 between December 9, 2011 and December 8, 2016 to keep the AuEx Agreement in good standing. See Item 1.2 "Overall Performance – Description and General Development of the Business". The Company plans to conduct a two-phase exploration program on the Wood Hills South Property. The recommended Phase 1 program consists of surveying the entire pediment for outcrop and sampling all hydrothermally altered rocks, detailed structural mapping, a detailed gravity survey over the southernmost portion of the property and data compilation at an estimated cost of $73,110 (US$73,000). Contingent upon positive results from Phase 1 and available funds, the Company intends to proceed with Phase 2 of the recommended exploration program consisting of drilling approximately 50 shallow holes totaling approximately 10,000 feet to test the depth of bedrock and character of the top 20 metres of bedrock as determined by the results of the gravity survey in Phase 1 at an estimated cost of $300,450 (US$300,000). To finance Phase 1 of the recommended exploration program, the Company intends to utilize its existing working capital surplus and the net proceeds of the IPO. Additional debt or equity financing will be required to finance Phase 2 and further exploration and development programs on the Wood Hills South Property. See Item 1.15 "Other MD&A Requirements – Risks and Uncertainties".

The Company also needs to fund cumulative exploration expenditures of US$1,500,000 on the Half Ounce (HO) Property between January 1, 2010 and December 31, 2014 to earn an undivided 70% interest therein. As of September 30, 2010, the Company has completed 3 CSAMT survey lines on the Half Ounce (HO) Property at a cost of $18,132 and $7,843 in property maintenance costs. See Item 1.2 "Overall Performance – Description and General Development of the Business". The Company does not intend to use its current working capital surplus or the net proceeds of the IPO for this purpose. Additional debt or equity financing will be required to finance further exploration of the Half Ounce (HO) Property. See Item 1.15 “Other MD&A Requirements – Risks and Uncertainties”.

The Company is also required to pay the annual United States BLM assessment fees, state and county filing and recording expenses, property taxes, advance minimum royalty and underlying lease payments, as applicable, associated with the Red Hill, Wood Hills South and Half Ounce properties in order to maintain the Miranda Agreement, the Barrick Agreement, the Idaho Lease, the AuEx Agreement and the Bravo Agreement, respectively, in good standing. Such costs will form part of the Company’s exploration expenditures for the purposes of the Miranda Agreement, Barrick Agreement, Idaho Lease, AuEx Agreement and Bravo Agreement, respectively.

Notwithstanding the foregoing, if, at any time, the Company’s board of directors deems continued use of exploration expenditures on the Red Hill or Wood Hills South properties 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 exploration of one of the Company’s other properties, to 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 material commitments for 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 the Miranda Agreement, the Barrick Agreement, the Idaho Lease, the AuEx Agreement, the Bravo Agreement and miscellaneous stock option and consulting agreements, the Company does not presently have any other material contractual obligations.

As at September 30, 2010 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, 2010 the Company paid a total of $62,250 in management fees to Albert J. Matter in his capacity as the managing director of the Company.

During the same period, the Company also paid a total of $63,354 in geological consulting fees to Roger C. Steininger, the Company’s Chief Operating Officer, a portion of which is included in the deferred exploration expenditures of the Company relating to the Red Hill and Wood Hills South properties.

An additional $5,250 was paid to James F. Beairsto, the Company’s Chief Financial Officer, for consulting and accounting services during the six month period ended September 30, 2010.

During the 6 month period ended September 30, 2010 the Company also granted stock options to its directors, officers and consultants to purchase up to a total of 3,950,000 common shares at a price of $0.25 per common share exercisable for a period of five years from the Listing Date.

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

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 Canadian generally accepted accounting principles ("**GAAP**") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reported period.

Significant areas requiring the use of management estimates include the determination of potential impairments of asset values, and rates for amortization of equipment, as well as the assumptions used in determining the fair value of non-cash stock-based compensation. Actual results could differ from those estimates.

The Company accounts for all non-cash stock-based payments to non-employees, and employee awards that are direct awards of shares that call for settlement in cash or other assets, or that are share appreciation rights which call for settlement by the issuance of equity instruments, using the fair value method.

Consideration received by the Company upon the exercise of share purchase options and warrants, and the stock-based compensation previously credited to contributed surplus related to such options and warrants, is credited to share capital.

1.13 Changes in Accounting Policies including Initial Adoption

A detailed summary of the Company's significant accounting policies is included in Note 3 to the Company's audited financial statements for the period from incorporation on May 15, 2009 to March 31, 2010, a copy of which is included in the Prospectus.

International Financial Reporting Standards ("IFRS")

Management of the IFRS Convergence Project

The Company is evaluating its overall readiness to transition from Canadian GAAP to IFRS including the readiness of its staff, directors and auditors.
The IFRS convergence project consists of three primary phases:

Phase 1 – Initial Scoping and Impact Assessment Analysis: to identify areas that will be impacted by the transition to IFRS. This phase is currently in progress.

Phase 2 – Evaluation and Design: to identify changes required to existing accounting policies and information systems, together with an analysis of policy alternatives allowed under IFRS and development of draft IFRS financial statements.
Phase 3 – Implementation and Review: to execute the changes to information systems and business processes. This will involve the collection of financial information necessary to compile IFRS compliant financial statements, including embedding IFRS principles in business processes, and audit committee review and approval of the financial statements.

IFRS I – First Time Adoption of International Financial Reporting Standards

IFRS 1, First-time Adoption of International Reporting Standards ("**IFRS 1**"), sets forth guidance for the initial adoption of IFRS. Commencing for the period ending on June 30, 2011, being the first quarter of the fiscal year, the Company will restate its comparative fiscal 2011 financial statements for annual and interim periods to be consistent with IFRS. In addition, the Company will reconcile equity and net earnings from the then-previously reported fiscal 2011 Canadian GAAP amounts to the restated 2011 IFRS amounts.

IFRS generally requires that first-time adopters retrospectively apply all IFRS standards and interpretations in effect as at the first annual reporting date. IFRS 1 provides for certain mandatory exceptions and certain optional exemptions to this general principle.

The Company anticipates using the following IFRS 1 optional exemptions:

- To apply the requirements of IFRS 3, *Business Combinations*, prospectively from the transition date;
- To apply the requirements of IFRS 2, *Share-based Payments*, to equity instruments granted which had not vested as of the transition date;
- To elect not to comply with IFRIC 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, for changes in such liabilities that occurred before the transition date.

Other IFRS Considerations

The conversion to IFRS will impact the way the Company presents its financial results. The first financial statements prepared using IFRS, the Company's interim financial statements for the three months ending on June 30, 2011, will include notes disclosing transitional information and disclosure of new, IFRS-complaint, accounting policies.

The Company has obtained an understanding of IFRS from training its finance personnel. The Company is currently evaluating the impact of the conversion on its accounting systems and has not determined whether significant changes to its accounting systems are required.

In addition, the Company will evaluate its internal and disclosure control processes as a result of its conversion to IFRS, assess the impacts of adopting IFRS on its contractual arrangements to identify any material compliance issues such as its debt covenants and other commitments and consider the impacts the transition will have on its internal planning process and compensation arrangements.

The Company expects to be in a position to meet all of its continuous disclosure obligations in 2011 arising out of its transition from Canadian GAAP to IFRS.

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.

1.14 Financial and Other Instruments

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, amounts receivable, amounts due to/from the related parties and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of such instruments.

During 2009, CICA handbook section 3862 "Financial Instruments – Disclosures" was amended to require enhanced disclosure of financial instrument fair value measurements and liquidity risks. Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

- 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 values, fair market values, and fair value hierarchal classification of the Company's financial instruments as at September 30, 2010 are as follows:

	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	1,411,911	-	-
	1,411,911	-	-

During the period, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

Financial Instrument Risk Exposure and Risk Management

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

(i) Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents in high quality investments with major financial institutions and in federal government-backed treasury bills. The Company does not have any financial assets that are invested in asset backed commercial paper.

(ii) Liquidity Risk - The Company ensures that there is sufficient cash in order to meet its short term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are invested in business accounts, commercial paper and treasury bills, which are immediately available on demand for the Company's use.

The Company has sufficient cash and cash equivalents to meet commitments associated with its financial liabilities.

(iii) Price Risks - The significant price risk exposures to which the Company is exposed are foreign exchange, interest rate and commodity price risks. The Company does not have any contracts in place to mitigate these risks.

(iv) Foreign exchange risk - The Company incurs substantially all of its expenditures in the United States and a significant portion of its cash and cash equivalents are denominated in Canadian dollars ("CAD"). The Company is exposed to foreign exchange risk to the extent of exchange rate fluctuation and a resultant change in the value of its cash and cash equivalents held in US dollars ("USD"). The exposure of the Company's financial assets to foreign exchange risk is as follows:

Expressed in CAD equivalents	September 30, 2010
Financial assets	
United States dollars	$1,105,249

Substantially all of the Company's liabilities are denominated in Canadian dollars. The Company currently does not engage in foreign currency hedging. The following significant exchange rates applied during the period:

USD to CAD	September 30, 2010
United States dollars – closing rate	1.0298
United States dollars – average rate	1.0331

(v) Interest rate risk

The Company is subject to interest rate price risk with respect to its investments in cash equivalents. In order to mitigate such risk, the Company's policy is to invest cash in fixed rate financial instruments having maturity dates of three months or less from the date of acquisition and cash reserves are to be maintained in cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Changes in market interest rates have a direct effect on the fair value of cash equivalents.

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 34,128,751 common shares issued and outstanding as of November 26, 2010.

In addition, the Company has reserved for issuance a total of 4,000,000 Units for sale pursuant to the IPO (4,600,000 Units if the Over-Allotment Option is exercised in full), each Unit consisting of one common share and one share purchase warrant to purchase an additional common share at a price of $0.35 for a period of 12 months from the Listing Date. The Company has also agreed to issue to its agent for the IPO a total of 200,000 common shares of the Company as a corporate finance fee and agent's warrants to purchase that number of common shares equal to 10% of the total number of Units sold under the IPO (including the Over-Allotment Option).

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 Shares	Exercise Price	Expiry Date
Stock Options				
Officers (including past and present executive officers) of the Company as a group	4	1,800,000	$0.25	Five years from Listing Date
Directors (including past directors) of the Company who are not also executive officers as a group	2	600,000	$0.25	Five years from Listing Date
All other employees of the Company as a group	Nil	N/A	N/A	N/A
All consultants of the Company as a group	16	2,750,000	$0.25	Five years from Listing Date
Agent's Warrants				
Haywood Securities Inc.	Agent's Warrants	400,000 shares (4)	$0.25	18 months from the Listing Date
Warrants				
Warrants	Purchasers of Seed Units	4,000,000 (5)	$0.35	12 months from the Listing Date
Seed Warrants (1)	14	1,520,000	$0.30	December 31, 2012 or 12 months from the Listing Date, whichever is earlier
SW Warrants (2)	42	5,573,750	$0.30	December 31, 2012 or 12 months from the Listing Date, whichever is earlier
Cancellation Warrants (3)	1	250,000	$0.25	Five years from Listing Date
TOTAL		**16,893,750**		

(1) These warrants were issued to certain purchasers of units during the Company's seed capital phase; each unit consisting of one common share and one warrant.

(2) These warrants were issued to the purchasers of Special Warrants upon the deemed exercise of the Special Warrants qualified for distribution under the Prospectus.

(3) These warrants were issued to a former founder of the Company in connection with the repurchase of certain "founder's shares" by the Company. See the Company's audited financial statements for the period from May 15, 2009 (date of incorporation) to March 31, 2010 included in the Prospectus.

(4) 460,000 shares if the Over-Allotment Option is exercised in full.

(5) 4,600,000 Warrants if the Over-Allotment Option is exercised in full.

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

A breakdown of the material components of the Company's capitalized exploration and development costs incurred during the period from incorporation on May 15, 2009 to March 31, 2010 and for the subsequent six month period ended September 30, 2010 is included in Note 4 of the Company's unaudited interim financial statements for the period ended September 30, 2010.

A breakdown of the general and administrative expenses incurred by the Company for the three and six month periods ended September 30, 2010 and the corresponding three month period ended September 30, 2009 and the period from incorporation on May 15, 2009 to September 30, 2009 is included in the Consolidated Statements of Operations and Comprehensive Loss forming part of the Company's unaudited interim financial statements for the period ended September 30, 2010.

Additional Disclosure for Junior Issuers

In addition to the proposed expenditures relating to the Red Hill and Wood Hills South properties (see Item 1.2 "Overall Performance", Item 1.6 "Liquidity" and Item 1.7 "Capital Resources" above), the Company expects to expend approximately $597,000 during the next 12 months on general and administrative expenses as follows:

Type	**Monthly Expense**	**Annual Expense**
Executive compensation (1)	$22,000	$264,000
Consulting fees	9,500	114,000
Administration/Bookkeeping	3,500	42,000
Rent, general office and business expenses (2)	7,000	84,000
Professional fees	4,500	54,000
Transfer Agent	1,500	18,000
Telephone and other miscellaneous costs	1,750	21,000
Total	**$49,750.00**	**$597,000.00**

(1) This amount includes budgeted consulting fees payable to the Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. See "Transactions with Related Parties" above.

(2) This amount includes expenses related to the Company's offices in Vancouver, B.C. and Reno, Nevada.

The Company has allocated sufficient funds from the Available Funds 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.

Assets and Property

Save and except for cash and cash equivalents on hand of $1,411,911, prepaids and deposits of 20,555, its interest in the Red Hill, Wood Hills South and Half Ounce properties totaling $519,687 and other assets of $20,000, the Company did not own any assets as at September 30, 2010. As at September 30, 2010 the total liabilities of the Company were $182,432.

Save and except as disclosed herein, the Company does not have any commitments for material capital expenditures over either the near or long term and none are presently contemplated over normal operating requirements.

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.

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 representations made in this MD&A and the Company's unaudited financial statements for the three and six month periods ended September 30, 2010 (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.