

JIMINEX INC.

Form 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JANUARY 31, 2011

1.1 Date

This Management Discussion and Analysis ("MD&A") of Jiminex Inc. ("Jiminex" or the "Company") has been prepared by management as of March 31, 2011.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1.2 Over-all Performance

(a) Company Overview

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Canada Business Corporations Act* on August 1, 2007. On March 11, 2008, the common shares of the Company were listed and posted for trading on the TSX Venture Exchange (the "Exchange"). The Company was classified as a Capital Pool Company and was required to complete a Qualifying Transaction (as such term is defined by the Exchange) within 2 years after listing.

On August 26, 2009, the Company completed its Qualifying Transaction (the "Acquisition") by acquiring an option from Beaufield Resources Inc. ("Beaufield") to earn an undivided 50% interest in certain mineral properties located in the Hemlo gold mining area situated east of Marathon, Ontario, Canada (the "Northern Eagle Gold Property"). The property is subject to prior existing 2% net smelter royalties to various third parties. Details of the Acquisition are described in the Company's filing statement dated July 30, 2009.

The Company is at arm's length to Beaufield. As consideration under the Acquisition, the Company paid \$10,000 and issued to Beaufield a total of 900,000 common shares in the Company's capital at a price of \$0.10 per share. In addition, the Company must make exploration expenditures of \$1,300,000 over a three-year period. The Company will be the operator during the option earn-in period. The Northern

Eagle Gold Property is an exploration stage mineral resource property with gold being the principally targeted natural resource. By October 31, 2010, Jiminex Inc. had met its first expenditure requirement of \$300,000 on the Property.

On October 27, 2009, the Company acquired 100% ownership in the Misehkw Gold Property, located in the well-known Pickle Lake gold mining area, Northwestern Ontario, Canada, by making payment of \$54,000 cash staking costs, issuing 100,000 common shares at a deemed price of \$0.10 and by granting a variable two to three percent net smelter royalty to the vendors, who are either current or former directors of the Company. The property originally consisted of 21 contiguous non-patented mining claims totaling 299 claim units having an area of 48 square km. Currently, the Misehkw River property consists of a total of 252 claim units having an area of 40.3 square km separated into a West Block (44 contiguous claims units of an area of 7.0 sq. km) and an East Block (208 units of an area of 33.28 sq. km).

On October 29, 2009, the Company acquired 100% ownership in the Parres Property in the Snow Lake copper-zinc and gold mining area, Manitoba, Canada and near to the Lalor base metal deposit recently discovered by HudBay Minerals Inc. The property consists of 7 contiguous non-patented mining claim blocks having an area of 1480 hectares (14.8 square kilometres). As consideration, the Company paid to the vendor \$6,000 as reimbursement for staking costs, issued 100,000 common shares at a deemed price of \$0.10 per share and granted a two percent (2%) net smelter royalty to the vendor (with a one percent (1%) buyback for \$1,000,000). The vendor of the Parres Property, James R.B. Parres, is a non-arm's length party to the Company.

Acquisitions of the Misehkw Gold Property and the Parres Property were reviewed and approved by the TSX Venture Exchange on December 1, 2009. Closing of the Misehkw Gold Property and the Parres Property were completed on December 31, 2009.

The Company has staked additional claims north and south of the original Parres Property, adding an area of 28.4 square kilometers to the original 14.8 square kilometres. The Parres Property now totals about 43.2 square kilometres in area, and covers the mine rock stratigraphy as well as potentially favorable geology bordering on the north and south.

The Company has also staked claims forming the Parres Two Property, which has an area of 7.0 square kilometres covering a strike length of 5.0 kilometres of geology favorable for the discovery of volcanogenic massive sulfide ("VMS") deposits. This property is located approximately one kilometre to the west of the Parres Property and covers an airborne magnetic feature believed to represent a fold and fold nose in the favorable underlying rocks. In the Flin Flon-Snow Lake region, VMS deposits often occur in structural settings such as within the hinge zones of folds.

On June 3, 2010 the Company entered into a Letter of Intent ("LOI") option agreement with Rivercrest Resources Inc. This LOI option agreement grants Rivercrest the right to earn up to fifty percent (50%) interest of Misehkw River Gold property subject to a 3% net smelter return. Rivercrest will acquire 37.5% when it was made a total of \$300,000 cash payments, issued 1,000,000 common shares and expended a total of \$3,000,000 on exploration. The remaining 12.5% ownership can be earned by Rivercrest making a final payment of \$100,000 cash and expending \$1,500,000 bringing Rivercrest up to a 50% ownership in the Misehkw River property. On July 22, 2010 a deposit of \$50,000 from Rivercrest was received. In the Fall of 2010, Rivercrest failed to meet the terms of the LOI and the option agreement was terminated with Jiminex Inc. holding 100% interest in the Misehkw River property still subject to the original variable 1% to 2% net smelter returns to the property vendors.

The business of mining and exploring for minerals involves a high degree of risk and there is no assurance that current exploration programs will result in profitable mining operations. The recoverability

of the carrying value of interests in mineral properties and the Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations or the ability of the Company to raise additional financing, if necessary, or alternatively upon the material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. The Company's properties may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and environmental requirements.

The Company has a need for equity capital and financing in order to explore and develop its properties and for working capital requirements. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

On November 20, 2010, the Company had successfully privately placed 3,930,000 Non Flow Through Units ("NFT Units") at \$0.20 per NFT Unit and 4,360,000 Flow Through Units ("FT Units") at \$0.25 per FT Unit for gross proceeds of \$1,876,000. Each NFT Unit consists of one common share ("Common Share") and one common share purchase warrant ("Warrant") of the Company. Each Warrant will entitle the holder to acquire one Common Share for a period of two years from the date of issuance at an exercise price of \$0.30 per Common Share. Each FT Unit consists of one flow through Common Share and one-half of a Warrant. The Warrants issued in connection with this offering are non-transferable and may be redeemed by the Company if the Common Shares trade at a specified premium to the exercise price. The securities issued pursuant to this private placement will be subject to a four month hold period which expires on March 20, 2011. The Company has agreed to pay cash finder's fees totaling \$111,800 and to issue 665,000 Finder's Warrants. Each Finder's Warrant entitles the holder to acquire one NFT Unit of the Company at a price of \$0.20 per NFT for a period of two years from the date of issuance.

On December 10, 2010, the Company granted 550,000 stock options to officers and directors of the Company and 25,000 stock options to one consultant. These incentive stock options are exercisable at \$0.25 with an expiry date of December 10, 2015. There is an eighteen months vesting period, which includes a four month hold period expiring on April 11, 2011.

On March 30, 2011, the Company has begun the first phase of drilling on the Mischkow Gold Property located at Pickle Lake, Ontario.

The Company's Common Shares are trading on the Exchange under the symbol "JIM".

(b) Exploration Properties

(i) Northern Eagle Gold Property

The Northern Eagle Gold Property (the "Property") currently consists of 279 non-patented claim units occupying a total area of 4,464 hectares or 44.64 square kilometres located about 15 km west of the world class Hemlo gold deposit (containing approximately 21.6 million troy ounces gold as calculated from total production and reserves at Dec. 31, 2009). The Northern Eagle Gold Property is bisected by the Trans-Canada highway, a Canadian Pacific railway line and a high voltage power transmission line. The Williams Operating Corporation, now wholly-owned by Barrick Gold Corporation, is currently producing gold at the Hemlo deposit. Infrastructure is excellent for low cost exploration and for lower cost possible

future gold mining project development.

The Property covers 11.5 kilometres of Hemlo gold deposit stratigraphy including a baritic alteration/shear zone and the Hemlo-Heron Bay regional fault, both geological features similar to that occurring at the Hemlo gold deposit. A second less distinct alteration zone called the Melgund Sericite Zone is suggested to exist on the property and is interpreted to be closely associated with the Hemlo-Heron Bay regional fault. The Baritic Zone is associated with a northern splay of this regional fault. Both alteration zones have geochemically elevated levels of a number of the trace elements which are found in and surrounding the Hemlo Deposit. Geochemically-anomalous gold values are noted from time to time in historical surface trench samples and drill core samples on the Northern Eagle Gold Property.

Following the Hemlo deposit discovery in 1981, there were several years of intense exploration activity. Since the late 1980's exploration has been sporadic over different parts of the Property. Geoscience research on the Hemlo gold deposit and the local and regional geology is now much more advanced than back in 1981. Exploration techniques are also much advanced especially with deeper penetrating geophysical methods.

Recent exploration on the Property includes the construction of a Gocad® 3-Dimensional (3D) computer geotechnical data model between September 2009 and March 2010 and a Titan 24 deep-penetrating direct current induced polarization (DCIP) and audio-magnetotelluric (MT) ground geophysical survey done in August 2010. Jiminex contracted Caracle Creek International Consulting Inc. in September 2009 to produce the 3-D model using all the historical data for the Property. The data model assisted in planning the deep-penetrating Titan 24 geophysical survey and the planned diamond drilling program. The Titan 24 survey was completed by a 15 person field crew over 6 cut and picketed north-south survey lines totalling 14.4 kilometres. The lines were centred over the baritic zone and were placed in couplets spaced at 300 metres apart, the couplets being spaced roughly equidistant over about 4 kilometres along the baritic zone. The survey has delineated two first priority anomalous zones and two secondary priority zones with 15 diamond drill holes (7 into priority zone targets, 8 into secondary zone targets) totalling 8,890 metres of coring being recommended.

Jiminex commenced a diamond drill program with a smaller drill unit to test the Titan 24 geophysical anomalies on the Property in early November 2010 and, after a December holiday break, recommenced drilling in early January 2011 with two drill units: the smaller unit capable of drilling to 1,000 metres depth plus a larger drill unit capable of drilling to 2,000 metres depth in January 2011. To February 3, 2011, 6 holes were drilled recovering 3,565 metres of core.

(ii) *Misehkov Gold Property*

The Misehkov Gold Property is located in the Uchi geological sub-Province, Superior Province of the Canadian Shield. In the Pickle Lake mining camp, located 55 km to the northwest, three mines have produced 2.5 million ounces of gold from very similar geological environments to that occurring at Misehkov. Also, Goldcorp's operating Musselwhite Mine located about 200 km north of Pickle Lake has a similar geological environment to the Pickle Lake region and has production plus reserves totaling about 4.7 million ounces.

The Misehkov River Gold Property presently consists of a total area of 252 contiguous non-patented Ontario mining claim units covering a total area of 40.32 square kilometres and covering a total strike length of 21.7 kilometres of iron formation lithology which is a favorable host environment for gold deposits in the Pickle Lake gold area. These totals are comprised of two claim blocks separated by 6.0 kilometres. These blocks are the new West Block having 44 contiguous non-patented claim units with an area of 7.0 square kilometres and covering 7.2 kilometres of iron formation, and the East Block now

consisting of 208 contiguous non-patented claim units having an area of 33.3 square kilometres and covering 14.5 kilometres of iron formation.

The Mischekow River Gold Property has noteworthy historical gold assay value diamond drill intercepts of up to 12.4 grams per tonne over 0.71 metres (0.362 ounces/ton over 2.2 feet) and value/width intercepts of up to 3.84 grams per tonne over 6.4 metres (0.11 ounces/ton over 21.0 feet). Jiminex Inc. now owns a substantial strike length of under-explored iron formation and associated rocks considered to have a high potential for Pickle Lake and Mussewhite-style gold mineralized deposits.

The Mischekow River Gold Property was flown with an airborne Versatile Time Domain Electromagnetic (VTEM) and high sensitivity cesium magnetic state-of-the-art geophysical survey in the fall of 2009. The original property and the eastern-third of the west block are covered by this survey. A base camp has been established in April 2010, and a number of iron formation target areas have been picked for ground and diamond drill follow-up. Interpretation of the airborne survey results was completed in 2010 and the recommended 3,000 metre, 16 hole diamond drilling has begun in late March 2011.

(iii) *Parres Property*

The Parres and Parres Two Properties are located in the Snow Lake mining camp of Manitoba near to the recent major copper-zinc-gold-silver and gold discovery at Lalor Lake by HudBay Minerals Inc. The Parres property covers 4 kilometres of favorable mine geology between former producers, the Stall Lake-Rod Mine and the Osborne Mine. The property presents a highly favorable target area for the discovery of economic copper-zinc-silver-gold VMS deposits and potentially for gold deposits of a nature similar to those existing at the new HudBay Minerals Inc. major discovery, the Lalor deposit, located about 20 kilometres to the southwest. It remains untested either by historical drilling or geophysical surveying to depths exceeding 150 metres.

The Parres Property originally covered an area of 14.8 square kilometres situated over a four kilometre section of mine rock stratigraphy between the past-producing Stall/Rod and Osborne copper-zinc mines. Access is by means of the all-weather Osborne Mine road which roughly bisects the property. The Parres Property As announced on January 27, 2010, the Company has staked additional claims on the north and south of the original Parres Property, adding an area of 28.4 square kilometers to the original 14.8 square kilometres. The Parres Property now totals about 43.2 square kilometres in area, and covers the mine rock stratigraphy as well as potentially favorable geology bordering on the north and south.

The Company has also staked claims forming the Parres II Property, which has an area of 7.0 square kilometres covering a strike length of 5.0 kilometres of geology favorable for the discovery of VMS deposits. This property is located approximately 1 kilometre to the west of the Parres Property and covers an airborne magnetic feature believed to represent a fold and fold nose in the favorable underlying rocks.

Jiminex has had the Parres and Parres Two properties flown with the Mega VTEM³⁵ airborne geophysical system which can detect conductive geological zones such as copper-zinc sulfide mineralized rock to depths of 500 to 600 metres, or even deeper depending on the geological characteristics of the survey region. The airborne survey data was interpreted in 2010 by the company's geophysical consultants and diamond drill targets were selected with a 12 hole, 2,200 metre drill program being recommended.

The first phase of drilling on the Parres property in late 2010 consisted of drilling eight holes located into 9 VTEM airborne geophysical anomalies. Drill core totaling 1,847 metres was recovered and a total of 326 samples were sent to TSL laboratories for ICP-MS multi-element geochemical analysis. Copper, zinc, silver and gold were included in the 37 element analysis. Highlights on the analytical results of this drilling program include a 0.25 metre section from drill hole P10-3 which returned 1.8% copper and 1.51

grams per tonne gold from an intermediate volcanic tuff located at a hole depth of 132.50 to 132.75 metres. The majority of the conductors were determined to be 0.5 to 1.5 metre semi-massive (20-50%) pyrrhotite and pyrite zones in andesitic-dacitic-rhyolitic volcanic rocks. Six conductive zones in 4 holes had geochemically-anomalous values (greater than 500 ppm for copper and greater than 1000 ppm for zinc) in copper and/or zinc over widths varying from 0.25 up to 1.55 metres. It is the intent of Jiminex to conduct follow-up drilling on the interesting copper intersection in hole P10-3 as well possible follow-up ground geophysical surveys and subsequent diamond drilling in the vicinity of the conductive zones containing anomalous geochemical values in copper and/or zinc in holes P10-1, -2, -3 and -5.

1.3 Selected Annual Information

The following operations information is for the preceding three years ended October 31:

	2010	2009
Total assets	\$ 2,199,528	\$ 826,909
Revenue	-	-
Net loss for the year	(324,632)	(142,854)
Basic and diluted loss per share	\$ (0.010)	\$ (0.014)

Total assets at January 31, 2011 have been increased primarily due to:

- (a) cash and cash equivalent in hand;
- (b) sales tax (GST/HST) tax refund receivable
- (c) deferred exploration costs expended on 3 mining properties.

1.4 Results of Operations

Expenses incurred during the quarter ended January 31, 2011 consist of:

- (i) office and general expenditures of \$72,388 (2010 - \$51,016). The increase was due to increase in spending on investor relations activities and public awareness campaigns.
- (ii) professional fees of \$55,691 (2010 - \$65,277). These were payments to consultants, legal professional and external general consultancy.
- (iii) non-cash compensation of \$20,483 was related to the incentive stock option granted to Directors, Officers and external consultants in the period.
- (iv) operating loss of \$148,562 (2010 - \$116,293). The increase was due to increase in exploration activities and the additional cost of operating the business due to increase in business activities.
- (v) interest income of \$1,103 (2010 - \$15). The increase was due to the fact that the Company's cash balance was substantially higher during the period ending January 31, 2011 as compared to the corresponding period of last year. This was a result of subscription cash received from capital raising, warrants and options exercised during the period..
- (vi) future recovery of income taxes of \$119,055 (2010 - \$90,000). This amount relates primarily with the fact that the Company finances its exploration activities by issuing flow-through common shares which transfers the tax deductible expenditures from the Company to the investors. Future levels will depend on the amount of financing activity of this type the Company

undertakes and the exploration on Canadian properties.

The net loss for the three months ended January 31, 2011 was \$29,409 versus \$26,375 for a loss per share of \$0.001 based on 36,513,911 weighted average shares outstanding for the period versus \$0.001, based on 18,459,724 weight average shares outstanding for the previous year of the same period.

During the three months ended January 31, 2011, the Company issued 8,290,000 common shares via the issuance of flow-through units as well as non-flow-through units for net proceeds of \$1,876,000, less finder's fees and costs. In addition, the Company issued 221,500 common shares upon the exercise of incentive stock options for net proceeds of \$22,150 and 2,205,262 common shares upon the exercise of share purchase warrants for net proceeds of \$376,992.

During the three months ended January 31, 2011, the Company invested \$893,051 in its various properties to bring the total invested in mineral properties to \$2,013,003, net of any write-downs.

The Company's cash balance at the end of the period was \$2,122,417 versus \$962,405 at the beginning of the fiscal period, and had working capital of \$1,978,491 versus \$845,675 as at October 31, 2010.

1.5 Summary of Quarterly Results

For the quarter ended January 31, 2011, the Company incurred a net operating loss of 148,562 compared to a net loss of \$116,293 for the quarter ended January 31, 2010. This quarter loss is attributable to general office and administrative expenses, participating in trade show, public awareness campaigns, professional fees and stock based compensation expenses. The loss was reduced by a future tax recovery of \$119,055 to a net loss of \$29,409 (2010 - 26,976, after future tax recovery)

	three-month period ended January 31		three -month period ended October 31		three-month period ended July 31		three-month ended April 30	
	2011 (\$)	2010 (\$)	2010 (\$)	2009 (\$)	2010 (\$)	2009 (\$)	2010 (\$)	2009 (\$)
Total Revenue	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net Loss	(29,409)	(26,976)	(157,809)	(87,497)	(90,069)	(32,026)	(49,778)	(17,936)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

1.6/1.7 Liquidity/Capital Resources

The Company reported working capital of \$1,978,491 as at January 31, 2011, comprised of \$2,122,417 in cash, \$173,164 in receivables and current liabilities of \$317,090.

Current liabilities as at January 31, 2011 consist of accounts payable and accrued liabilities of \$317,090.

On November 20, 2010, the Company has successfully privately placed 3,930,000 Non Flow Through Units ("NFT Units") at \$0.20 per NFT Unit and 4,360,000 Flow Through Units ("FT Units") at \$0.25 per FT Unit for gross proceeds of \$1,876,000. Each NFT Unit consists of one common share ("Common Share") and one common share purchase warrant ("Warrant") of the Company. Each Warrant will entitle the holder to acquire one Common Share for a period of two years from the date of issuance at an exercise price of \$0.30 per Common Share. Each FT Unit consists of one flow through Common Share and one-half of a Warrant. The Warrants issued in connection with this offering are non-transferable and may be redeemed by the Company if the Common Shares trade at a specified premium to the exercise price. The securities issued pursuant to this private placement will be subject to a four month hold period which expires on March 20, 2011. The Company has agreed to pay cash finder's fees totaling \$111,800 and

issue 665,000 Finder's Warrants. Each Finder's Warrant entitles the holder to acquire one NFT Unit of the Company at a price of \$0.20 per NFT for a period of two years from the date of issuance.

Subsequent to October 31, 2010 the Company issued an aggregate of 2,430,112 shares for an aggregate proceeds of \$370,599, representing 2,208,612 shares for warrants exercised and 221,500 shares for stock option exercised.

The proceeds generated from the private placements and exercise of warrants and stock options will be used for working capital and continued exploration and development activities on the Company's exploration properties.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company currently has no operations that generate cash flow and its long-term financial success is contingent upon management's ability to locate economically recoverable resources. This process can take many years to complete, cannot be guaranteed of success, and is also subject to factors beyond the control of management. Factors such as commodity prices, the health of the equity markets and the track record and experience of management all impact the Company's ability to raise funds to complete exploration and development programs.

The Company has taken numerous steps to ensure that it will continue to have adequate working capital to fund operations. The Company has set a conservative exploration budget for the upcoming year that will focus on a few key project advancement initiatives. It has reduced its budget for new project evaluation and generation substantially to ensure exploration is focused on advancing primary projects. This has also reduced the need for additional field personnel which will reduce labour costs. As well, the Company has and will continue to actively seek out strategic joint venture partners on certain of its projects to ensure that they will be advanced while at the same time preserving its capital. The Company has also reviewed corporate overhead costs to allow for only essential expenditures.

The Company anticipates that the continued sale of Flow Through shares/warrants should enable it to maintain exploration activities on its mineral properties. However, there can be no assurance that these activities will be sufficient to enable the Company to carry on its planned activities given the current economic climate.

1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.9 Transactions with Related Parties

Transactions with related parties are incurred in the normal course of business. During the year, the Company paid the following:

- (i) an aggregate amount of \$36,210 to four (4) directors of the Company for corporate secretarial service, geological consultation services and general office administration services;

- (ii) an aggregate amount of \$17,690 for reimbursement of general and administrative expenses and certain exploration costs incurred by the directors;

Included in accounts payable, there was totaling \$26,210 due to directors.

1.10 Fourth Quarter

There were no fourth quarter events or items that affected the Company's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments. The Company's operations are not seasonal.

1.11 Proposed Transactions

There are no transactions that are currently under negotiation or proposed to be entered into.

1.12 Critical Accounting Estimates

Not applicable to Venture Issuers.

1.13 Changes in Accounting Policies including Initial Adoption

For further information in this regard, please refer to Note 2 of the Company's unaudited financial statements for the three months ending January 31, 2011.

International Financial Reporting Standards

The Canadian Accounting Standards Board ("AcSB") has announced its decision to replace Canadian GAAP with International Financial Reporting Standards ("IFRS") for all Canadian Publicly Accountable Enterprises.

The changeover date for calendar year-end companies is January 2011. Since Jiminex Inc. next year-end is October 31, 2011, following this timeline, the Company will issue its first set of interim financial statements prepared under full IFRS for the quarter ended January 31, 2012, including restated comparative IFRS financial results and an opening balance sheet as at November 1, 2010. The first annual IFRS financial statements will be prepared for the year ended October 31, 2012 with restated comparatives for the year ended October 31, 2011.

The Company assets is currently cash and receivables, mining properties and deferred exploration costs, and liabilities' consisting of accounts payable and accrued. IFRS and Canadian GAAP largely converge on the accounting treatment for these items, as such; management expects minimal changes to accounting with respect to these items. One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements.

Based on management assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes.

In the period leading up to the changeover in 2011, the AcSB has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the

Company's annual financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

1.14 Financial Instruments and Other Instruments

The carrying amounts of cash and cash equivalent, and accounts payable and accrued liabilities approximate fair value because of the short-term maturity of these items.

1.15 Other MD&A Requirements

(a) Additional Disclosure for Venture Issuers without Significant Revenue

During the three months ended January 31, 2011, the Company incurred \$893,051 in expenditures relating to the exploration expenditures on the Company's three mining properties.

(b) Disclosure of Outstanding Share Data

Summary of Outstanding Share Data as of January 31, 2011 and currently:

(i) Authorized and issued share capital:

Class	Par Value	Authorized	Issued and Outstanding	
			as of Jan. 31, 2011	as of Mar. 31, 2011
Common	Nil	Unlimited	39,226,878	39,230,228

(ii) Summary of warrants outstanding as of January 31, 2011 and currently:

Security	Granted	Exercise Price	Expiry Date	As of Jan. 31, 2011	As of Mar. 31, 2011
2009-A Warrants	3,200,000	\$0.20	Dec. 9, 2011	3,200,000	3,200,000
2009-B Warrants	8,387,866	\$0.20	Dec. 23, 2011	7,824,118	7,827,468
2010-A Warrants	3,510,000	\$0.20	Apr. 23, 2012	3,470,000	3,470,000
2010-B Warrants	6,110,000	\$0.30	Nov. 19, 2012	6,110,000	6,110,000
TOTAL	21,207,866			20,604,118	20,607,468

(iii) Summary of stock options outstanding as of January 31, 2011 and currently:

Security	Granted	Exercise Price	Expiry Date	As of Jan. 31, 2011	As of Mar. 31, 2011
Stock Options	711,500	\$0.10	Mar. 11, 2013	490,000	490,000
Stock Options	170,000	\$0.11	Apr. 17, 2013	170,000	170,000
Stock Options	1,225,000	\$0.15	Feb. 3, 2015	1,225,000	1,225,000
Stock Options	400,000	\$0.15	May 17, 2015	400,000	400,000
Stock Options	275,000	\$0.20	Sep. 20, 2012	275,000	275,000
Stock Options	575,000	\$0.25	Dec.10, 2015	575,000	575,000
TOTAL	3,356,500			3,135,000	3,135,000

(iv) Summary of agent's options/broker's warrants outstanding as of January 31, 2011 and currently:

<u>Security</u>	<u>Granted</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	<u>As of Jan. 31, 2011</u>	<u>As of Mar. 31, 2011</u>
Agent's options	350,000	\$0.10	Mar. 24, 2010	0	0
Finder's Options	286,666	\$0.12	Dec. 9, 2011	286,666	286,666
Broker's Warrants	838,787	\$0.12	Dec. 23, 2011	38,030	34,680
Finder's Options	140,000	\$0.115	Apr. 23, 2012	140,000	140,000
Broker's Warrants	665,000	\$0.20	Nov. 19, 2012	665,000	665,000
TOTAL	2,280,453			1,129,696	1,126,346

- (v) There are 3,060,000 common shares currently subject to an escrow agreement as at January 31, 2011.

Additional Information

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.