VENDOME RESOURCES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED February 29, 2012

DATED June 28, 2012

(In Canadian dollars)

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(In Canadian dollars)

The following Management's Discussion and Analysis (MD&A) presents the results, financial position and cash flows of Vendome Resources Corp. and should be read in conjunction with the Company's audited annual consolidated financial statements and accompanying notes. In addition to containing an analysis of the year ended February 29, 2012, this MD&A reports on items deemed significant that occurred between February 29, 2012 and the date on which the MD&A is approved by the Company's Board of Directors, which is June 28, 2012, inclusively.

The disclosures and values in this MD&A were prepared in accordance with International Financial Reporting Standards (IFRS) and with the current issued and adopted interpretations applied to fiscal years beginning on or after January 1, 2011. Comparative figures as at March 1, 2010 and February 28, 2011 have been restated in accordance with IFRS.

For more information on the application of IFRS, please see the "Accounting policy changes adopted in 2011" section of this report.

Additional information, including the Annual Information Form and certifications of filings for the year ended February 29, 2012, is available on the SEDAR website at www.sedar.com. Unless otherwise indicated, all financial information presented in this document is in Canadian dollars.

Forward-looking statements and use of estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "foresee," "estimate" and other similar expressions, in addition to the negative form of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Vendome Resources Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Vendome Resources Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Risk Factors" section of the MD&A.

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that affect the amounts of the assets, liabilities, and expenses reported in the consolidated financial statements.

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates could differ from original assumptions and estimates. Unless otherwise indicated, all reference to "dollar" or the use of the symbol "$" are to the Canadian dollar and all references to "US dollars" or "US$" are to the United States dollar in this Management Analysis and Discussion.

ITEM 1 - Overview

The Company was incorporated on February 27, 2007 as Vendome Capital II Corp. and filed Articles of Amendments in April 2010 to change its name following the close of its Qualifying Transaction ("QT").

The Company listed its common shares on the TSX Venture Exchange (the "Exchange") for trading upon the completion of its initial public offering ("IPO") as disclosed in a prospectus filed with the regulators and dated May 25, 2007. The Company issued 3,500,000 common shares at $0.10 per common shares in conjunction with its IPO.

At the time of completing its IPO, the Company was classified as a Capital Pool Company as described in the policies of the Exchange.

(In Canadian dollars)

- On August 31, 2009, the Company announced that it has entered in to an Earn in Option Agreement ("Agreement") with Richmond Minerals Inc. ("Richmond") to acquire from Richmond a 51% interest in the Guibord Property (the "Guibord Property") upon the payment of $25,000 and 600,000 common shares of the Company to Richmond within one year of receiving the Final Exchange Bulletin, as well as incurring a minimum of $250,000 in exploration expenditures within two years of the Final Exchange Bulletin. The deemed price of the common shares of the Company was $0.11 per common share for a total value of $91,000 for an initial interest of 51%. This transaction served as the Company's QT, as defined in Policy 2.4 of the Exchange, which closed April 12, 2010.

  Concurrently with the acquisition of the Guibord Property, the Company raised approximately $535,000 via a debt issuance (EUR 150,000 and CA $325,000). The terms of the debenture financing are for a term of 18 months, bearing no interest, are not convertible in to common shares of the Company and provided for the issuance of 1,900,000 purchase warrants (the "Purchase Warrants"). Each Purchase Warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per common share until October 11, 2011.

- In July 2010, the Company completed a private placement of $600,000 via the issuance of 10,000,000 units, where each unit consisted of one common share of the Company and one share purchase warrant ("SPW Series H1"). Where SPW Series H1 entitles the holder to acquire at any time and from time to time until on July 30, 2012, one fully paid and non-assessable common share in the capital the Company at an exercise price of $0.10 for each such common share on or before July 30, 2011, and (ii) at a price of $0.15 per common share from the date that is one year and a day from July 30, 2010 to July 30, 2012.

  The Company used the proceeds from this private placement to reimbursed approximately $435,000 of this debt (EUR 150,000 and CA $225,000), leaving $100,000 outstanding. This amount was subsequently paid in December 2010, leaving the Company with no outstanding debt.

- On August 3, 2010, the Company settled $54,000 in payables by the issuance of 540,000 common shares and 397,500 share purchase warrants ("SPW Series D1"). Where SPW Series D1entitles the holder to acquire at any time and from time to time until on August 3, 2012, one fully paid and non-assessable common share in the capital the Company at an exercise price of $0.10 for each such common share on or before August 3, 2012.

- On August 26, 2010, the Company entered in to an agreement in principal to acquire a 100% interest in 5 claim units approximately 10 kilometers southeast of the town of Foleyet Township, Ontario (the "Ivanhoe Property"). Under the terms of the agreement, the Company will pay the vendor $62,000 in cash and issue 1,500,000 common shares of the Company. The vendors will also receive a 3% net smelter royalty. Specifically, Vendome will pay $15,000 and issue 375,000 shares upon obtaining regulatory requirements, which it received in September 2010. Further payments of $15,000 and 375,000 common shares of the Company will be due to the vendors on the anniversary date of the signing of the agreement over the next three years. The Company will be required to incur $250,000 in exploration expenses by the 3rd anniversary date. The Company may purchase 50% of the net smelter royalty at any time for $3,000,000.

- On October 4, 2010, the Company entered in to an agreement in principal to acquire a 50% interest in the "La Diana Property" from Camsim Minas SA DE CV ("Camsim"). Under the terms of the agreement, the Company will pay Camsim $250,000 in cash and issue 3,000,000 common shares of the Company. Specifically, the Company will pay $200,000 and issue 1,000,000 common shares of the Company upon obtaining regulatory approval, which was obtained in October 2010. A further payment of $50,000, is payable within six months of regulatory approval, subject to the close of a minimum financing of $500,000 by the Company. In addition, the Company is to issue 1,000,000 common shares of the Company on the first year anniversary of the executed agreement date, and a third tranche of 1,000,000 common shares of the Company on the second year anniversary of the executed agreement. The Company will be required to incur $3,000,000 in exploration expenses by the third year anniversary date of the agreement between the two companies ($1,500,000 by the

(In Canadian dollars)

2nd anniversary of the date of agreement and a further $1,500,000 by the 3rd anniversary of date of the agreement)..

- In May 2011, the Company established a wholly owned subsidiary in Mexico, Vendome Minas, S.A. de C.V.

- In June 2011, the Company completed a private placement of $774,775 via the issuance of 5,165,166 units, where each unit consisted of one common share of the Company and one share purchase warrant ("SPW Series F2"). Where SPW Series F2 entitles the holder to acquire at any time and from time to time until on December 6, 2012, one fully paid and non-assessable common share in the capital the Company at an exercise price of $0.30 for each such common share.

- In July 2011, the Company agreed to acquire the San Miguel property ("San Minguel Property") from Santa Claws Minas., De C.V. subject to regulatory approval. The San Miguel Property is located within the southern portion of the Sierra Madre del Sur precious metal belt in the State of Guerrero, Mexico. The San Miguel Property is approximately 2,000 hectares in size and is surrounded by the 14,722 hectare La Diana Property. The Company has paid $25,000 cash and issued 2,500,000 common shares of the Company to Santa Claws Minas S.A., de C.V. upon obtaining regulatory approval.

- On September 15, 2011, the Company announced that an agreement had been reached with Lake Shore Gold Corp. ("Lake Shore") to relinquish its rights in the Guibord Property in return for 67,500 common shares of Lake Shore and 33,750 Lake Shore purchase warrants ("LSPW"), where each LSPW entitles the holder to purchase one additional common share of Lake Shore at a price of $3.00 for a period of two (2) years. All acquisition and exploration costs related to the property was written-off in the current year resulting in a loss on sale of property of $164,285.

- On December 1, 2011, the Company announced that its wholly-owned Mexican subsidiary (Vendome Minas, S.A. de C.V.) has entered into an agreement to acquire from Camsim Minas S.A. de C.V. ("Camsim") an earn-in option for a 50% undivided interest in and to the San Javier Mine property located within the municipality of Malinaltepec, State of Guerrero, Mexico.

  Vendome will pay CDN $75,000 cash and issue 1,000,000 common shares to Camsim upon signing of the earn-in option agreement. Vendome will also issue 1,000,000 common shares to Camsim on each of the first and second anniversaries of the effective date of the agreement, and make a final cash payment of CDN $250,000 to Camsim on the third anniversary date of the agreement. Vendome will also be required to spend a total of $3 million in exploration expenditures by the third anniversary of the effective date of the agreement which was amended in March 2012 to $2.6 million in return for the issuance of 800,000 common shares of the Company on or before the third anniversary of the effective date of the agreement.

  The San Javier property was acquired from a company controlled by an individual who is related to a board member of the Company.

Exploration Properties

- ***Ivanhoe, Ontario Property***

The Ivanhoe Property is host to a 9 to 10 channel Geotem EM conductor associated with a strong magnetic high. The anomaly is circular in morphology with an approximate diameter of 250 to 300 meters. The Ivanhoe Lake Cataclastic Zone, a major structural feature in the area borders the western margin of the anomaly. A secondary fault strikes northeast through the approximate anomaly center. According to Ontario Geological Survey ("**OGS**") regional mapping, the anomaly may coincide with a leucogabbro intrusive unit that hosts pyrite, pyrrohtite and chalcopyrite mineralization. The OGS reported no surface grab assay values.

(In Canadian dollars)

➢ *La Diana, Mexico Property*

The La Diana property covers 14,722 hectares and is located in the eastern portion of the State of Guerrero, Southern Mexico, within the heart of the famous precious metals belt known as the Sierra Madre del Sur. The Sierra Madre del Sur is widely recognized as being a highly prospective area for both precious and base metals occurrences.

Polymetallic mineralization in the La Diana property was discovered over 100 years ago however there has been little large scale exploration work in the region due to the lack of infrastructure. Recently there have been significant improvements to road access and power that will assist Vendome in undertaking exploration programs at the La Diana property quickly and cost effectively.

Systematic exploration work employing modern techniques have never been undertaken at the La Diana property. A recent review of ASTER remote sensing imagery of the region indicates that zones of potential hydroxyl bedrock alteration favorable for epithermal polymetallic mineralization are found throughout the La Diana property. These zones appear to have significant strike lengths up to 4 km.

➢ *San Miguel, Mexico Property*

In August 2011, The Company expanded its Mexican area play in the southern Sierra Madre del Sur precious metal belt by acquiring a 100% interest in the San Miguel property from Santa Claws Minas S.A., de C.V.

The San Miguel property is approximately 2,000 hectares in size and is surrounded by the 14,722 hectare La Diana property. No modern systematic exploration work has ever been conducted at the San Miguel property. As is the case for the La Diana property, ASTER remote sensing imagery indicates that zones of potential hydroxyl bedrock alteration favorable for epithermal polymetallic mineralization are found throughout the San Miguel property.

➢ *San Javier, Mexico Property*

The San Javier property is 253 hectares in size and is surrounded by the La Diana property. San Javier is host to silver-lead-zinc epithermal vein mineralization typical of polymetallic deposits found within the Sierra Madre del Sur precious metal belt. An historical small scale mine (consisting of an adit and mill) was operated on the property until 1993. The total metal production is unknown. No systematic exploration work employing modern exploration techniques has ever been undertaken at the Property.

Vendome staff and consultants have traced these quartz veins on surface (up to 1.5 meters wide) for estimated strike lengths of 400 to 500 meters. Mineralization observed in the veins consisted of pyrite, chalcopyrite, argentite, galena, sphalerite, and arsenopyrite. Kaolinization and sericitization of the wall rocks hosting the veins was also noted. Vendome management believes that the stockwork vein system observed on the San Javier Mine property is similar to rift related epithermal low sulphidation systems that are host to several world class silver mines in Mexico.

In December 2010, a qualified person associated with the previous Optionor of the San Javier Mine collected channel samples with a rock saw from exposed quartz veins within the principal mine area of the Property. Samples were cut across the exposed vein perpendicular to strike, and were shipped in sealed bags directly to ALS Chemex De Mexico in Guadalajara, Mexico. Samples were analyzed for multi-elements using aqua regia digestion and both ICP-MS and ICP-AES finish techniques. Hi-lights of the channel sample analyses are provided in the Table.

(In Canadian dollars)

San Javier Property December 2010 Channel Sampling Results

Sample #	Easting (UTM)*	Northing (UTM)*	Width (m)	Ag (g/tonne)	Lead (%)
JP001B	540862	1894884	0.45	146	1.69
JP001C	540860	1894883	0.3	92.7	2.25
JP008A	540813	1894846	0.15	8060	4.55
JP008B	540800	1894837	0.4	4560	5.13
JP016	540805	1894818	0.16	122	3.75
JP022	540829	1894954	0.15	1330	0.97
JP023	540807	1894934	0.2	4920	1.45
JP024A	540804	1894931	0.1	4350	1.03
JP024B	540803	1894935	0.25	1770	1.01
JP024C	540805	1894941	0.18	609	0.55
JP025	540799	1894954	0.5	378	0.74
JP026A	540799	1894963	0.12	352	0.36
JP026B	540796	1894970	0.1	547	0.34
JP027B	540798	1894984	0.1	1140	0.39
JP028	540795	1894978	0.35	645	0.54
JP030A	540792	1894954	0.15	2210	1.78
JP30B	540788	1894958	0.25	1590	1.42
JP070	540811	1894871	0.2	327	0.57
JP071A	540834	1894897	0.3	328	0.85
JP071B	540852	1894903	0.25	1290	0.74
JP072	540846	1894913	0.1	4260	1.27
JP073	540852	1894923	0.15	997	0.53

*- using WGS8, Zone 14

On December 5 and 6, 2011 a qualified person collected grab samples from several veins located distally from the main adit portal on the property. These samples were analyzed at SGS Laboratories in Durango, Mexico using fire assay with AAS finish, and ICP-OES finish after aqua regia digestion. Results of the analyses are as follows:

San Javier Property December 2011 Grab Sampling Results

Sample #	Easting (UTM)	Northing (UTM)	Silver (g/tonne)	Lead (%)	Zinc (%)	Distance From Adit (m)
BOA 10	540870	1895329	1,277	2.39	2.51	497
BOA 11	541071	1895459	242	1.77	0.15	680
BOA 12	541268	1895447	49.7	0.19	0.06	771
BOA 13	540667	1894934	1,384	0.46	0.01	165
BOA14	541020	1894903	38.4	0.57	1.48	231
BOA15	540643	1894513	105	1.69	0.01	361
BOA16	540664	1894550	657	7.32	4.18	322
BOA17	541300	1895362	54.1	1.4	0.52	727

WGS 84, Zone 14 Q – adit portal located at 541100 E, 1899377N

Apart from the presence of galena and sphalerite, Vendome field staff noted that the higher values of silver, lead and zinc obtained in laboratory analyses tend to be directly related to vein samples containing high concentrations of pyrite and arsenopyrite. Vendome management is extremely encouraged by these new results in that new distal stockwork vein exposures located through prospecting continue to yield high grade silver, lead and zinc values.

(In Canadian dollars)

An extensive program of grab and chip sampling, under the direction of ACA Howe was undertaken in the spring of 2012. Specifically the program's focus was to thoroughly sample the vein systems and test the potential for lower-grade silver/lead/zinc bulk mineralization in wall rocks that host the veins. A control grid was established for magnetic surveys and soil sampling. Detailed and property-scale mapping was also done. A structural analysis from satellite imagery of the San Javier concession is in progress. Results for the spring 2012 exploration program are expected to be announced in early summer 2012.

Warren Hawkins, P.Eng, a "Qualified Person", within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, has reviewed and approved the scientific and technical information contained herein. Mr. Hawkins is not considered to be "independent" of the Corporation (as defined in National Instrument 43-101), as he currently holds securities of the Corporation.

ITEM 2 - Selected Annual Information

The following is selected annual information for the preceding three fiscal years:

	February 29, 2012	February 28, 2011	February 28, 2010
Net loss	$ (1,123,058)	$ (384,275)	$ (176,575)
Total assets	$ 2,592,286	$ 1,270,851	$ 259,306
Loss per share	$ 0.04	$ 0.03	$ 0.00
Cash dividends per share	$ -	$ -	$ -

For further audited financial information, please refer to the Company's audited financial statements that have been filed on SEDAR.

ITEM 3 - Results of Operations

For the year ended February 29, 2012, the Company had not yet commenced operations other than the identification, evaluation of assets or businesses that would constitute the QT. Therefore, the Company had not yet recorded any revenues.

For the year ended February 29, 2012, the Company incurred operational expenses of $1,123,058 versus $384,275, for an increase of $738,783 or 192%.

The increase is attributable to the increase of exploration activities and acquisition and exploration of new properties: San Miguel and San Javier. As a result of significantly increased exploration activities general and administrative expenses increased by $218,159 (170%), professional fees increased by $136,812 (300%), marketing and business development increased by $145,629 (210%), and stock-based compensation increased by $120,295 (202%).

The net loss for the year ended February 29, 2012 was $1,123,058 (2011 - $384,275) for a loss per share of $0.04 based on 30,423,404 weighted average shares outstanding for the period versus $0.03, based on 14,308,455 weight average shares outstanding on February 28, 2011.

The Company has recognized $0 in February 29, 2012 (2011 - $81,962) in exploration expenditures on its Consolidated Statement of Comprehensive Income, which are prospecting expenditures that was incurred before the Company acquired legal interest in its exploration properties.

(In Canadian dollars)

ITEM 4 - Summary of Quarterly Results

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Company's revenue, net loss and loss per common share:

	Revenues	Net Income (loss)	Loss/ share: basic and diluted
February 29, 2012	$ -	$ 47,647	$ 0.00
November 30, 2011	$ -	$ 701,681	$ 0.02
August 31, 2011	$ -	$ 297,649	$ 0.00
May 31, 2011	$ -	$ 76,081	$ 0.00
February 28, 2011	$ -	$ 144,083	$ 0.00
November 30, 2010	$ -	$ 67,972	$ 0.00
August 31, 2010	$ -	$ 123,416	$ 0.01
May 31, 2010	$ -	$ 48,804	$ 0.01

ITEM 5 - Liquidity

As at February 29, 2012, the Company had the following working capital:

	February 29, 2012
Cash and Cash equivalents	$ 453,461
Interest and sundry receivable	$ 157,060
Marketable securities	$ 103,950
Accounts payable and accrued liabilities	$ (71,026)
	$ 643,445

In addition, the Company is anticipated executing various exploration programs as follows:

Property	Amount	Date
Ivanhoe Property	$ 250,000	by 2014
La Diana Property	$ 3,000,000	2014
San Javier	$ 2,600,000	2015

Of these amounts, the Company has invested approximately $50,130 towards the Ivanhoe Property and $75,445 towards La Diana Property as at February 29, 2012.

ITEM 6 - Capital Resources

In order to finance the Company's future development and expansion, management will be seeking to raise additional funds primarily by way of the issuance of common shares from the treasury. The timing and ability to fulfill these objectives will depend on the liquidity of the financial markets as well as the willingness of investors to finance junior exploration companies operating with limited operating history.

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To date, the following financings have been completed by the Company:

	Gross Proceeds	Type of Transaction
June, 2011	$ 774,775	Private Placement
August, 2010	$ 54,000	Debt Settlement
July, 2010	$ 600,000	Private Placement
May, 2007	$ 350,000	Initial Public Offering
April, 2007	$ 10,000	Private Placement
February, 2007	$ 150,000	Private Placement

As at February 29, 2012, the Company has the following stock options issued and outstanding:

Exercise Price	Number of Options	Expiry Date	Weighted Average Remaining Life
$ 0.18	850,000	August 13, 2015	3.45
$ 0.20	1,680,000	October 3, 2013 and 2016	3.87
$ 0.10	208,000	May 31, 2012	0.25

As at February 29, 2012, the Company has the following warrants issued and outstanding:

Number of Warrants	Exercise Price	Warrant Type	Issuance Date	Expiry Date	Fair Value
5,165,166	$ 0.30	Investors	June 6, 2011	December 6, 2012	$ 11,098
3,284,299	$ 0.15	Investors	July 30, 2010	July 30, 2012	$ 1,608
397,500	$ 0.12	Debt Settlement	August 3, 2010	August 3, 2012	$ 6,209

ITEM 7 - Off-Balance Sheet Arrangement

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions With Related Parties

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

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Related party transactions are summarized as follows:

	February 29, 2012		February 28, 2011	
	Key Management Personnel	Other	Key Management Personnel	Other
Share based payments	$ 83,969	$ -	$ 40,745	$ -
The amount of outstanding balances:				
Receivable from director or officer	$ 9,443	$ -	$ 3,629	$ -
Payable to related parties with common directors	$ -	$ 6,302	$ -	$ 5,922
Management fees	$ 60,000		$ 40,000	
Rent expense		$ 19,204		$ 12,350
	$ 153,412	**$ 25,506**	**$ 84,374**	**$ 18,272**

Amounts receivable represent amounts owed for rent of premises an entity related by common directors.

Camsim Minas S.A. de C.V., the company which owns the La Diana and San Javier Properties is controlled by an individual who is related to a board member of the Company.

These transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

ITEM 9 - Proposed Transactions

As of the date of this document, there is no proposed transaction that management of the Company believes would require the intervention or approval of the Board of Directors of the Company as well as the Shareholders of the Company.

ITEM 10 - Risk Factors

Investment in the Company must be considered highly speculative due to the nature of the Company's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Company should only be considered by those persons who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

- *Exploration Risks*: exploration for minerals is a speculative venture necessarily involving substantial risk.
- *¾ Mining Risks: mineral resource exploration and development is a speculative business and involves a high degree of risk.*
- *Uninsurable Risks: mining operations generally involve a high degree of risk, which it cannot insure or against which it may elect not to insure due to prohibitive costs or otherwise in accordance with standard industry practice.*
- *Calculation Risks: there is a degree of uncertainty attributable to the calculation of mineral reserves, mineral resources and corresponding grades being dedicated to future production.*
- *No Assurance to Title or Boundaries: title to the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.*
- *Competition: the mineral exploration and mining business is competitive in all of its phases.*
- *Permits and Licenses: the planned operations of the Company, including mineral exploration and*

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development activities and commencement of production on its properties, require permits from various levels of government.

- *Governmental Regulation and Policy Risks: failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.*

- *Environmental Risks: mineral exploration and development, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with the pollution of the environment and the disposal of waste products.*

- *Price Volatility of Publicly Traded Securities: in recent years and especially in the recent months, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.*

- *Possible Failure to Realize Anticipated Benefits of Future Acquisitions: the Company may complete acquisitions to strengthen its position in the mineral exploration industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own.*

- *Operational Risks: mineral exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion and contaminant spills, each of which could result in substantial damage to mining properties, producing facilities, other property and the environment or in personal injury.*

- *Substantial Capital Requirements; Liquidity: the Company may have to make substantial capital expenditures for the acquisition, exploration, development and production of mineral resources in the future.*

- *Issuance of Debt: from time to time the Company may enter into transactions to acquire assets or shares of other Companies. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards.*

- *Dilution: the Company's common shares, including incentive stock options, rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into common shares of the Company, may be created, issued, sold and delivered on such terms and conditions and at such times as the board of the Company may determine.*

- *Net Asset Value: the Company's net asset value will vary dependent upon a number of factors beyond the control of the Company's management, including commodity prices.*

- *Reliance on Management: Shareholders of the Company will be dependent on the management of the Company in respect of the administration and management of all matters relating to the Company and its properties and operations.*

- *Conflicts of Interest: Certain of the directors and officers of the Company are also directors and officers of other reporting issuers involved in mineral exploration and development, and conflicts of interest may arise between their duties as officers and directors of the Company, as the case may be, and as officers and*

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directors of such other companies.

- *No Dividends: to date, the Company has not paid any dividends, and it is not anticipated that the Company will pay any dividends in the near future.*

- *Changes in Legislation: it is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws or other laws applicable to mineral exploration companies and that any such changes could materially adversely affect the Company and the market value of the Company securities.*

- *Early Stage Development Risks: the Company has no history of operations and the Company is in the early stage of development and must be considered a start-up.*

- *Future Financing Requirements: the Company may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms.*

ITEM 11 - Critical Accounting Estimates

This section is not required as the Company is a Venture Issuer, as the term is defined in National Instrument 51-102.

ITEM 12 - Changes in Accounting Policies

The Company would like to direct readers to its audited financial statements for the period ending February 29, 2012, which are incorporated by reference and can be found on the regulator's web site at www.sedar.com.

Convergence with International Financial Reporting Standards

On January 1, 2011, the Company has adopted International Financial Reporting Standards (IFRS) for its financial reporting, using March 1, 2010 as the transition date.

Accordingly, the annual consolidated financial statements for the year ended February 29, 2012 and comparative figures have been prepared in accordance with IFRS 1 "First Time Adoption of International Financial Reporting Standards" issued by the International Accounting Standards Board (IASB).

The accounting policies used to prepare these financial statements and the comparative figures are presented in Note 3 and reconciliations, explanations and policy choices are presented in Note 16 to the audited consolidated financial statements for the year ended February 29, 2012.

Future accounting changes

Explanations and descriptions of future accounting changes are presented in Note 5 to the audited consolidated financial statements for the year ended February 29, 2012.

ITEM 13 - Financial Instruments and Other Instruments

The Company is not a party to any financial instrument, as the term is defined in National Instrument 51-102F1 paragraph 1.14.

(In Canadian dollars)

ITEM 14 - Capital Structure

The Company is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this Management Discussion and Analysis there were 37,242,367 common shares issued and outstanding as well as the following securities:

Type	Quantity	Exercise Price		Expiry Date
Incentive stock option	850,000	$	0.18	August 13, 2015
Incentive stock option	1,680,000	$	0.20	October 3, 2013 and 2016
Incentive stock option	208,000	$	0.10	May 31, 2012
Investor warrants	5,165,166	$	0.30	December 6, 2012
Investor warrants	3,284,299	$	0.15	July 30, 2012
Debt settlement warrants	397,500	$	0.12	August 3, 2012

ITEM 15 - Other MD&A Requirements

As defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Company has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this report as well as of the date of this report.

The Company has evaluated its internal controls and financial reporting procedures and has found them to be effective with the objective of reporting the Company's financial transactions.

The Company is not required to file an Annual Information Form under current security legislation and thus has not filed one.