

COGITORE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDING DECEMBER 31, 2010

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Cogitore Resources Inc. ("Cogitore" or the "Company"), dated April 27, 2011 constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2010. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements for the year ended December 31, 2010 and December 31, 2009, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The audited annual financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Cogitore common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

We direct investors to the section "Other Risk and Uncertainties" and to pages 28 and 29 for a cautionary statement on forward-looking information included within this MD&A. Additional information relating to the Company, is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com or at the Company's website www.cogitore.com.

Description of Business

The Company is a Tier-2 Mining Issuer engaged in the exploration of base metals in properties located in Quebec and Ontario. The Company was incorporated on December 13, 2002, and is a reporting issuer in British Columbia, Alberta and Ontario. The Company's fiscal year end is December 31 and the common shares of the Company are listed and posted for trading on the TSX Venture Exchange under the symbol WOO.

During fiscal 2010, the Company's properties included:

- Scott Project
- Estrades Property
- Lemoine Property
- Caribou Project
- Normetal West Project

During fiscal 2009, the Company's properties included:

- Scott Project
- Estrades Mining Lease
- Estrades Property
- Lemoine Property
- Caribou Project
- Normetal West Project

After reviewing the results of the feasibility study for the Estrades Mining Lease dated October 24, 2008, a copy of which has been publicly filed by the Company, the Company concluded that it was not in the best interests of its shareholders to expend additional resources to move ahead with the Estrades Mining Lease at this time. As a result, the Company has written down aggregate exploration expenditures on the Estrades Mining Lease in the amount of \$3,372,616 in fiscal 2009.

2010 Corporate Events

On January 21, 2010, the Company provided an update on the status of its offer to acquire certain assets of Campbell Resources Inc. and MSV Resources 2007 Inc. (collectively, "Campbell/MSV"). Since the Company submitted its offer, the proceedings initiated by Campbell/MSV under the *Companies' Creditors Arrangement Act* were discontinued and PricewaterhouseCoopers was appointed by the Québec Superior Court as receiver for the assets of Campbell/MSV pursuant to section 243 of the *Bankruptcy and Insolvency Act*. The Company's original offer was not accepted, and the \$750,000 deposit was returned to the Company.

On April 30, 2010, the Company announced that it had closed (i) a non-brokered private placement of flow-through common shares and (ii) a non-brokered private placement of units. 2,000,000 flow-through common shares of the Company were issued at a price of \$0.35 per flow-through common share for aggregate gross proceeds of \$700,000. The Company paid a cash commission equal to 6% of certain gross proceeds of the offering to participating registered dealers for a total of \$26,760. In addition, 1,933,335 units of the Company were issued at a price of \$0.30 per unit for gross proceeds of \$580,000, each unit consisting of one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.45 per common share for a period of eighteen months following the closing date, or earlier pursuant to the acceleration terms. A number of insiders participated in the offering, thereby making the offering a "related party transaction" pursuant to Multilateral Instrument 61-101 ("MI 61-101"). Mr. Stephen Lidsky, a director of the Company, subscribed for 19,640 flow-through common shares. Mr. Jonathan Goodman, a director of the Company, subscribed for 142,900 flow-through common shares. Mr. Gérald Riverin, President and Chief Executive Officer ("CEO") and a director of the Company, subscribed for 57,140 flow-through common shares. Mr. Tony Brisson, an officer of the Company, subscribed for 28,580 flow-through common shares. Mr. David Comba, a director of the Company, subscribed for 20,000 flow-through common shares. Mr. Daniel Goodman, the CEO of GFI Investment Counsel Ltd., subscribed for 28,571 flow-through

common shares. The flow-through offering was unanimously approved by the directors of the Company, with the directors participating in the flow-through offering disclosing their interest and abstaining from voting with respect thereto.

On July 6, 2010, the Company announced it had entered into an option agreement (the “Agreement”) with Vismand Exploration Inc. (“Vismand”), whereby Vismand has the option to acquire a 50% interest in the Company’s Normetal West Property (the “Property”). Under the terms of the Agreement, Vismand has an option to acquire a 50% interest in the Property by incurring an aggregate amount of \$1,275,000 in exploration and development expenditures on the Property and by making an aggregate of \$150,000 in earn-in payments. In order to maintain and exercise its option, Vismand must (i) incur expenditures as follows: (a) \$58,000 on or before November 30, 2010 (incurred); (b) \$942,000 on or before the first anniversary of the effective date of the Agreement; and (c) \$275,000 on or before the second anniversary of the effective date; and (ii) make earn-in payments totalling \$150,000 to the Company as follows: (a) \$25,000 on the effective date of the Agreement; (b) \$25,000 on or before the first anniversary of the effective date of the Agreement; (c) \$25,000 on or before the second anniversary of the effective date of the Agreement; and (d) \$75,000 on or before 180 days following the second anniversary of the effective date of the Agreement. The initial payment of \$25,000 has been received from Vismand.

If Vismand exercises its 50% option in the Property, the Company and Vismand will form a joint venture for the further exploration and development of the Property, with each party bearing its proportionate share of costs. If the interest of either party in the Property falls to 15% or less, it will revert to a 1% net smelter return royalty, but only if such party has contributed at least \$2,000,000 in expenditures or joint venture funding at the time of the reduction of such participating interest in the Property.

On November 17, 2010, the Company completed a non-brokered private placement of 3,000,000 flow-through common shares at a price of \$0.30 per share to raise gross proceeds of \$900,000. The Company paid a cash commission equal to 5% of certain gross proceeds for a total of \$15,825. A number of insiders participated in the non-brokered private placement, thereby making the offering a “related party transaction” pursuant to MI 61-101. Mr. Gérald Riverin, President and CEO and a director of the Company, subscribed for 16,667 flow-through common shares. Mr. Orest Zajcew, an officer of the Company, subscribed for 16,668 flow-through common shares. Mr. Tony Brisson, an officer of the Company, subscribed for 28,333 flow-through common shares. Mr. David Comba, a director of the Company, subscribed for 20,000 flow-through common shares. The offering was unanimously approved by the directors of the Company, with the directors participating in the offering disclosing their interest and abstaining from voting with respect thereto.

Technical Information

Mr. Gérald Riverin, PhD, P.Geo., President and CEO of Cogitore, who is a Qualified Person as set out in National Instrument 43-101 (“NI 43-101”), has supervised the preparation of the technical information that forms the basis of the information contained under the heading “2010 Exploration Activities” below.

2010 Exploration Activities

Highlights

- the discovery of the CFO Lens, a relatively copper-rich massive sulphide lens on the Scott Township Project;
- copper grades associated with the new CFO Lens are about double those reported in the existing NI 43-101 compliant resources, which are primarily attributable to the West and 800 Lenses;
- the CFO Lens is hosted by a second rhyolitic volcanic edifice, located approximately one hundred metres north of West Lens, the largest and best grade lens;
- the total number of massive sulphide lenses discovered to date is now six, of which only three are currently included in Scott's first NI 43-101 compliant resources (2009) estimate;
- drilling is ongoing in order to provide a sufficient number of closely spaced mineralized intercepts such that mineralization associated with the CFO and Central lenses are included in the next NI 43-101 compliant resource update.

Scott Deposit

2010 proved to be a challenging year for the Company.

During the first six months drilling resulted in the discovery of a relatively copper-rich lens located down and to the west of West Lens. Perhaps most exciting of all, the new discovery, called the CFO Lens, is hosted by a second rhyolitic host rock, which confirms the presence of a large robust mineralizing system and opens up previously unappreciated potential.

Unfortunately the second half of 2010 was beset by a series of drilling obstacles, which cumulatively hampered holes from being successfully completed into targeted areas. This in turn dramatically affected the reporting of news.

By the end of 2010, three sulphide intersections located about 100 metres apart had been obtained in the new lens:

CFO Lens drill intersections

Hole	From (m)	To (m)	Length (m)	Cu %	Zn %	Au g/t	Ag g/t
SC-53	1026.8	1044.4	17.6	2.0	1.8	0.2	17.9
SL-106W	1107.0	1133.7	26.7	2.1	5.2	0.3	24.9
SL-106W3	1007.7	1016.1	8.4	2.5	4.2	0.4	72.3

The mineralized intercepts obtained so far in the CFO Lens contain almost double the overall copper grade published in the first NI 43-101 compliance resources (3.6M tonnes at 1.1% copper, 5.2% zinc, 0.3g/t gold and 36g/t silver). In addition, the new lens is located in a mineralized horizon which is different than the one hosting the West Lens and located only about 100 metres further to the north, supporting the idea that substantial exploration potential at Scott Lake in the immediate vicinity of the known resources still exists. Lenses discovered so far are: 1) Selco-Scott (discovered in 1976), 2) West, 3) Central, 4) 800, 5) 1750 and 6) CFO. The last three were discovered by the Company. Only mineralization from the West, 800 and 1,750 lenses is included in the initial NI 43-101 report, primarily due to large distances or ‘gaps’ between mineralized drill holes in Central Lens. Precise targeting and control of subsequent drill holes is required to in-fill the gaps, especially with respect to the CFO lens.

In 2011 the Company plans to complete a revised resource estimate that will incorporate the CFO and Central lenses and also a number of mineralized zones that were not included in the original estimate, but which have subsequently been confirmed by drilling. Drilling to date in 2011 focused on two areas; (a) drilling deep holes related to the CFO lens in order to in-fill the 100 metre gaps between the 2010 intercepts and (b) drilling much shallower holes into the Central Lens area where gaps also need to be in-filled in order for mineralization in this lens to be included in the next NI 43-101 update. The first results from 2011 Central Lens drilling were released on March 2, 2011, and showed very encouraging thicknesses at shallow depth (200-250 metres vertical).

Central Lens drill intersections (2011)

Hole	From (m)	To (m)	Length (m)	Cu %	Zn %	Au g/t	Ag g/t
SC-60	257.1	272.4	15.3	0.9	5.5	0.1	52
Gabbro dyke (barren)							
SC-60	302.6	317.1	14.5	0.6	5.5	0.1	24

The Company’s objective at Scott is to complete a revised resource estimate by mid-2011 and when warranted, initiate a “scoping study” or preliminary economic assessment. For example the configuration of mineralization on ten metre level plan intervals for West Lens is such that much of West Lens appears amenable to low cost bulk mining methods.

Background

Following the publication in 2009 of the first NI 43-101 compliant mineral resource estimate the Company continued with its exploration efforts to increase resources and add to known zinc-rich lenses by discovering more copper enriched mineralization. This was successfully accomplished by drilling a total of 10,494 metres on Scott in 2010, leading to the discovery of the new relatively copper-rich CFO Lens at depth to the west of existing resources.

The 100% owned Scott Project is located in Scott Township approximately 20 km west of the town of Chibougamau, Quebec and 15 kilometres southeast of the model Cree community of

Ouje-bougoumou. Chibougamau is a regional centre for forestry, mining and tourism, and is a rail head and hub for major road arteries.

The Scott Deposit is located beneath an extensive sand plain, bedrock crops out (less than one per cent overall) only near the original discovery lens, the Selco-Scott Lens (non compliant “historical” resource of 0.7M tonnes grading 0.4% copper and 6.9% zinc). The original boreal forest consisted primarily of jack pine but has largely been harvested. The legacy forestry access roads, including major haul roads, provide excellent year-round access. An esker traverses the property and is a source of road gravel.

Caribou Project

Caribou is one of four coincident claim blocks centred about the former producing Estrades mine. Estrades was mined in 1991-92 and contains a NI 43-101 compliant resource of 709,172 tonnes grading 0.8% copper, 9.8% zinc, 5.0 g/t gold and 163 g/t silver. The property is located in north-western Quebec approximately 95 km southwest of the base metal mining community of Matagami, Quebec.

Following the discovery in 2009 of high grade massive sulphides (the “Caribou deposit”) about four kilometres along strike to the west of the Estrades mine, a deep penetrating (InfiniTEM) geophysical survey was completed within an area surrounding the Caribou deposit. A drill program totalling 5,609 metres was completed in 2010 at depth and to the east of the discovery, and to test six nearby but separate geophysical targets.

Although the six geophysical targets were explained by sulphides, no significant assay results were obtained. While drilling results in the vicinity of the Caribou discovery failed to show an extension to the east, they indicate that the high grade copper, zinc, gold and silver mineralization is open at depth, albeit with no improvement in thickness thus far.

The massive sulphides seem to form a continuous sheet approximately 400m in dip length (from 200m to 600m below surface) and with at least 400m in strike length. Although the massive sulphides intersected to date are relatively thin, they all have high grades of copper, zinc and silver and significant quantities of gold as well.

Caribou Drilling Compilation

Hole	From (m)	To (m)	Length (m)	%Cu	%Zn	g/t Au	g/t Ag
CAR-02	310.0	311.7	1.7	2.5	6.7	1.5	63
CAR-04	541.0	542.6	1.6	6.4	4.9	4.1	114
CAR-06	621.8	623.3	1.5	2.4	11.0	0.5	58
CAR-07	643.7	646.0	2.3	3.8	6.0	1.7	52
CAR-14	725.2	726.6	1.4	1.6	2.14	0.7	53
CAR-18	660.8	661.2	0.4	0.9	13.5	0.6	41
Average			1.5	3.3	6.5	1.7	66

Selbaie West

Following a detailed evaluation of previous drilling on the property, a line cutting program was completed in preparation for a deep penetrating InfiNiTEM survey which was completed in early 2011. Preliminary examination of results indicates a number of conductors located at the base and at the top of a rhyolite unit where previous drilling had encountered sulphide mineralization highly anomalous in zinc and gold. No drilling is planned for 2011.

Normetal West

Our joint venture partner Vismand, a privately-owned Canadian corporation focused on base metal exploration, has completed line cutting and a TITAN 24 geophysical survey on the eastern sector of the Property in preparation for a drilling program in the winter of 2011. By contract, Vismand has the obligation to complete 2,000 metres of diamond drilling before September 2011. Vismand has advised the Company that it has completed a minimum of 2,000 metres of drilling and assay results are pending.

Outlook

The Company has a strategic focus on volcanogenic massive sulphide (VMS) type deposits within the prolific Abitibi mining district of Quebec and Ontario. VMS deposits contain among other elements recoverable copper, zinc, gold and silver. VMS deposits are characterized by densely packed sulphide minerals, which results in high metal contents per volume of rock (per tonne). However, the high specific gravity of VMS massive sulphide-type deposits (density of packed sulphides) also means these valuable concentrations of metals are relatively small in size (volume) making them difficult to find.

Other VMS deposit-type characteristics include; clusters of multiple lenses, more than one time horizon of formation and strong alteration of the host volcanic rocks. (Alteration is the result of mineralizing solutions interacting with and changing the host volcanic rocks at the time of sulphide formation). The Scott Project exhibits all of these elements, which are indicative of a robust long lived system with great potential for further discoveries.

The Company looks forward to receiving an independent revised resource estimate near the end of the second quarter of 2011. A preliminary scoping study in the second half of 2011 will dictate future actions, including the possibility of an underground exploration program.

The Company presently expects to spend approximately \$2,500,000 on exploration in 2011, including approximately \$1,500,000 at Scott. The Company does not presently have enough cash to fund the entire budget, and will have to return to the equity markets to raise the necessary funds in 2011. The Company has no present plans for any material capital expenditures in 2011. On April 1, 2011, Cogitore closed a non-brokered private placement of flow-through common shares whereby 4,000,000 flow-through common shares of the Company were issued at a price of \$0.26 per flow-through common share for aggregate gross proceeds of \$1,040,000. The Company paid a cash commission equal to 5% of certain gross proceeds of the offering to participating registered dealers for an aggregate total of \$27,600.

COGITORE RESOURCES INC.

(A Development Stage Company)

Statements of Exploration Properties and Deferred Exploration Expenditures

	Year ended December 31,		Cumulative from date of inception to December 31,
	2010	2009	2010
Estrades Project			
Opening balance	\$ -	\$ 3,455,610	\$ -
Property acquisition costs	-	(31,450)	2,175,089
Travel, hotel and meals	-	-	607
Property maintenance	-	8	25,691
Geochemistry and geophysics	-	-	102,088
Drilling	-	-	928,737
Environment	-	5,793	44,853
Linecutting	-	-	8,865
General and geology	-	6,174	711,874
Professional fees	-	-	125,858
Regional office expenses	-	174	110,799
Quebec refundable tax credit and mining duties refund	-	(63,693)	(861,845)
Write-off of exploration expenditures	-	(3,372,616)	(3,372,616)
Activity during the period	-	(3,455,610)	-
Closing balance	\$ -	\$ -	\$ -
Estrades (Inmet) Property			
Opening balance	\$ 1,531,606	\$ 1,533,163	\$ -
Property acquisition costs	-	2,174	6,109
Travel, hotel and meals	-	-	53
Property maintenance	3,511	3,393	19,350
Geochemistry and geophysics	53,677	6,297	310,369
Drilling	197,865	5,106	1,984,741
Environment	-	-	-
Linecutting	-	7,113	27,704
General and geology	26,003	4,202	330,560
Professional fees	-	-	-
Regional office expenses	13,663	2,005	152,071
Quebec refundable tax credit and mining duties refund	-	(31,847)	(1,004,632)
Write-off of exploration expenditures	-	-	-
Activity during the period	294,719	(1,557)	1,826,325
Closing balance	\$ 1,826,325	\$ 1,531,606	\$ 1,826,325

COGITORE RESOURCES INC.

(A Development Stage Company)

Statements of Exploration Properties and Deferred Exploration Expenditures

	Year ended December 31,		Cumulative from date of inception to December 31,
	2010	2009	2010
Lemoine Property			
Opening balance	\$ 2,570,136	\$ 2,580,706	\$ -
Property acquisition costs	180	148	301,780
Travel, hotel and meals	906	-	5,807
Property maintenance	2,944	6,802	26,808
Geochemistry and geophysics	82	1,600	465,908
Drilling	2,067	(151)	2,255,954
Environment	-	-	-
Linecutting	-	-	58,408
General and geology	6,582	9,843	257,960
Professional fees	-	-	-
Regional office expenses	2,260	3,034	217,163
Quebec refundable tax credit and mining duties refund	-	(31,846)	(1,004,631)
Write-off of exploration expenditures	-	-	-
Activity during the period	15,021	(10,570)	2,585,157
Closing balance	\$ 2,585,157	\$ 2,570,136	\$ 2,585,157
Back-In Properties			
Opening balance	\$ -	\$ -	\$ -
Property acquisition costs	128	-	308,724
Travel, hotel and meals	-	-	24,677
Property maintenance	7,165	11,053	59,473
Geochemistry and geophysics	22,810	4,839	211,726
Drilling	2,430	-	908,870
Linecutting	23,204	-	23,204
General and geology	33,557	14,221	758,082
Professional fees	-	-	56,951
Participant's share	-	-	1,223,726
Write-off of exploration expenditures	(95,590)	(33,673)	(2,717,229)
Regional office expenses	6,296	3,560	(36,401)
Quebec refundable tax credit and mining duties refund	-	-	(821,803)
Activity during the period	-	-	-
Closing balance	\$ -	\$ -	\$ -

COGITORE RESOURCES INC.

(A Development Stage Company)

Statements of Exploration Properties and Deferred Exploration Expenditures

	Year ended December 31,		Cumulative from date of inception to December 31,
	2010	2009	2010
Scott Project			
Opening balance	\$ 4,594,904	\$ 3,585,111	\$ -
Property acquisition costs	403	1,002	518,458
Travel, hotel and meals	5,687	1,328	14,623
Property maintenance	3,698	5,653	23,586
Geochemistry and geophysics	128,192	45,970	715,918
Drilling	1,153,515	1,169,923	5,243,926
Linecutting	2,293	7,428	69,933
General and geology	248,858	287,751	1,040,724
Professional fees	-	-	12,076
Regional office expenses	112,273	130,257	442,791
Quebec refundable tax credit and mining duties refund	(739,101)	(639,519)	(2,571,313)
Activity during the period	915,818	1,009,793	5,510,722
Closing balance	\$ 5,510,722	\$ 4,594,904	\$ 5,510,722
Normetal West Project			
Opening balance	\$ 841,439	\$ 815,155	\$ -
Property acquisition costs	(25,000)	14,607	38,160
Property maintenance	753	714	2,474
Geochemistry and geophysics	408	-	394,265
General and geology	25,048	9,344	248,880
Drilling	16	438	20,638
Linecutting	-	-	107,195
Travel	21	-	241
Regional office expenses	3,946	1,181	34,778
Activity during the period	5,192	26,284	846,631
Closing balance	\$ 846,631	\$ 841,439	\$ 846,631

COGITORE RESOURCES INC.

(A Development Stage Company)

Statements of Exploration Properties and Deferred Exploration Expenditures

	Year ended December 31,		Cumulative from date of inception to December 31,
	2010	2009	2010
Caribou Project			
Opening balance	\$ 725,052	\$ 249,492	\$ -
Property acquisition costs	800	-	29,300
Property maintenance	6,548	5,124	20,016
Geochemistry and geophysics	61,664	60,411	243,212
General and geology	95,328	113,684	272,434
Drilling	420,622	540,410	1,035,679
Linecutting	-	1,063	21,536
Travel	-	269	269
Regional office expenses	30,251	42,512	77,391
Quebec refundable tax credit and mining duties refund	(369,550)	(287,913)	(729,122)

- The net loss for the year ended December 31, 2010, consisted primarily of (i) write-off of exploration costs of \$95,590; (ii) general and administrative costs of \$372,984; and (iii) other working capital expenditures incurred to maintain the operations of the Company.
- The net loss for the year ended December 31, 2009, consisted primarily of (i) write-off of exploration costs of \$3,406,288 due to the write-down of the Estrades Mining Lease in the amount of \$3,372,616 after the Company transferred a 70% interest in the Estrades Mine to Atlas Precious Metals Inc.; (ii) general and administrative costs of \$519,605; and (iii) other working capital expenditures incurred to maintain the operations of the Company. The net loss was offset by a future income tax recovery of \$1,074,030.
- The net loss for the year ended December 31, 2008, consisted primarily of (i) write-off of exploration costs of \$2,269,742; (ii) general and administrative costs of \$492,586; and (iii) other working capital expenditures incurred to maintain the operations of the Company. The net loss was offset by a future income tax recovery of \$764,640.
- As the Company has no revenue, its ability to fund its operations is dependent upon securing financing through the sale of equity or assets. The value of any mineral asset is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties.

For the years ended 2010, 2009 and 2008, the Company reported no discontinued operations and declared no cash dividends.

Trend Information

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business, the uncertainty of commodity prices, and the uncertainty of fundraising activities.

Liquidity and Capital Resources

The Company's use of cash is currently and is expected to continue to be focused on two principal areas, namely for exploration as described under the Outlook section of this report and to support corporate overhead. For the twelve month period ending December 31, 2011, corporate head office costs are estimated to average less than \$160,000 per quarter. The \$160,000 covers general and administrative costs, professional fees, and director fees. The Company presently expects to spend approximately \$2,500,000 on exploration in 2011, including approximately \$1,500,000 at Scott Lake. The Company does not presently have enough cash to fund the entire budget, and will have to return to the equity markets to raise the necessary funds in 2011. The Company is committed to spending approximately \$541,400 as at December 31, 2010 associated with flow-through offerings that were completed on November 17, 2010. The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the requirements of the *Income Tax Act* (Canada).

The Company instituted the look-back rule which will require the Company to spend the funds by the end of 2011. The Company has sufficient working capital to meet its corporate overhead and flow-through commitment and expects to return to the equity markets to raise the necessary funds in 2011 to continue its exploration program. See “Subsequent Events” below. While there is no assurance these funds can be raised, the Company believes such financing will be available as required. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

To the date of this MD&A, the cash resources of the Company are held in chequing accounts at a major Canadian financial institution. Restricted cash is held in a Guaranteed Investment Certificate at a major Canadian financial institution.

Selected Quarterly Information

A summary of selected information for each of the eight most recent quarters is as follows:

For the quarter ended	<u>March 31</u>	<u>June 30</u>	<u>Sept. 30</u>	<u>Dec. 31</u>
	\$	\$	\$	\$
<u>2010</u>				
Revenue	-	-	-	-
Net (Loss) Income	(157,606)	(150,517)	(198,232)	(118,326)
Net (Loss) Income Per Share	(0.00)	(0.00)	(0.00)	(0.01)
<u>2009</u>				
Revenue	-	-	-	-
Net (Loss) Income	(159,883)	(3,748,187)	(196,972)	769,607
Net (Loss) Income Per Share	(0.00)	(0.08)	(0.00)	0.01

Over the last eight quarters most of the net losses have been fairly consistent. The main exception has been with respect to the second quarter of 2009, due to the write-off of a number of exploration properties, and the fourth quarter of 2009, due to the future income tax recovery.

Additional Disclosure for Venture Issuers without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs of the Company for the years ended December 31, 2010 and December 31, 2009.

	<u>Year ended December 31, 2010</u>	<u>Year ended December 31, 2009</u>
Interest & Bank Charges	\$1,551	\$1,937
Flow-Through Taxes Paid	\$8,094	\$12,997
Office and General	\$57,039	\$49,094
Transfer agent, listing & filing fees	\$18,266	\$21,186
Salaries & Benefits	\$129,239	\$129,935
Rent	\$57,290	\$58,338
Shareholder/investor relations	\$64,873	\$195,884
New Project Development	\$27,718	\$35,863
Capital tax	<u>\$8,914</u>	<u>\$14,371</u>
Total	\$372,984	\$519,605

Results of Operations

In 2010, the Company had \$1,572,003 in net exploration expenditures. The Company spent \$915,818 on the Scott Property, \$245,663 on the Caribou Project and \$294,719 on the Estrades Property. The remainder was split amongst the Company's other properties.

Twelve months ended December 31, 2010, compared with twelve months ended December 31, 2009

The Company's loss in 2010 was \$624,681 compared to a net loss of \$3,335,435 in the same period in 2009. The main reason for the year over year decrease in net loss for the year ended December 31, 2010 was the write-off of exploration costs of \$3,406,288 in 2009, compared to \$95,590 in 2010. General and administrative costs in 2010 were \$372,984 compared to \$519,605 in 2009. The main reason for the year over year difference in general and administrative costs was lower shareholder/investor relations costs. In 2010, the Company has not been as active in terms of investor relations compared to 2009. Professional fees, however, were higher in 2010 - \$217,136, compared to the previous year - \$183,494, mostly due to higher legal fees. In 2010, the Company paid legal fees for a number of transactions in 2010 including the submission of a bid for certain assets of Campbell/MSV. As well, in 2009 there was \$232,965 in stock-based compensation expense compared to none in 2010.

Three months ended December 31, 2010, compared with three months ended December 31, 2009

The Company's loss for the three months ended December 31, 2010 was \$118,326 compared to a net income of \$769,607 in the same period in 2009. The main reason for the increase in net loss for the three months ended December 31, 2010 was the future tax recovery of \$1,074,030 for the three months ended December 31, 2009, compared to a future tax recovery of \$114,375 for the three months ended December 31, 2010. This increase in net loss was offset by a decrease in general and administrative costs of \$48,080. General and administrative costs for the three months ended December 31, 2010 were \$115,108 compared to \$163,188 for the three months

ended December 31, 2009. The main reason for the decrease in general and administrative costs was lower shareholder/investor relations costs. For the three months ended December 31, 2010, the Company has not been as active in terms of investor relations compared to same period in 2009. Professional fees decreased during the three months ended December 31, 2010 - \$39,629, compared to the previous period - \$105,454, mostly due to lower legal fees.

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

During the year ended December 31, 2010, the Company paid \$50,000 (December 31, 2009 - \$nil) to 2142058 Ontario Inc., a company controlled by Mark Goodman, an officer of the Company, for management services provided to the Company, which are recorded under professional fees in the statement of loss and comprehensive loss.

As a result of Carmelo Marrelli becoming CFO on January 10, 2011, transactions with Marrelli Support Services Inc. (“Marrelli Support”) and Corporate Services Inc. (“DSA”) are considered to be related party transactions. The Chief Financial Officer (Carmelo Marrelli) of the Company is the president of Marrelli Support, a firm providing accounting services to the Company. During the year ended December 31, 2010, the Company expensed \$34,650 (2009 - \$35,325) for services rendered by Marrelli Support, which are recorded under professional fees in the statement of loss. In addition, as at December 31, 2010, Marrelli Support was owed \$17,274 (December 31, 2009 - \$18,200) and this amount was included in accounts payable and accrued liabilities.

During the year ended December 31, 2010, the Company also paid \$6,031 (December 31, 2009 - \$5,926) for corporate secretarial services to DSA, another company where the Chief Financial Officer is an officer. Those fees are also recorded under professional fees in the statement of loss. As at December 31, 2010, DSA was owed \$565 (December 31, 2009 - \$544) and this amount was included in accounts payable and accrued liabilities.

A number of insiders participated in the April 2010, November 2010 and April 2011 non-brokered private placements of flow-through common shares, thereby making the transactions “related party transactions” pursuant to MI 61-101. Insiders, including officers and directors of the Company, subscribed for a total of 296,831, 81,668 and 41,233 common shares of the Company. The private placements were unanimously approved by the directors of the Company, with the directors participating disclosing their interest and abstaining from voting with respect thereto. See “2010 Corporate Events” above and “Subsequent Events” below for specific insider names.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, 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, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

Critical Accounting Estimates

The preparation of the Company's audited financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered to be significant are the impairment of exploration properties and the valuation of the Company's stock-based compensation and warrants

The costs of exploration properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time the costs are depleted on a unit-of-production method based on proven and probable reserves. If a property is subsequently determined not to be economically viable, the property and related deferred costs are written down to net realizable value. The recoverability of costs incurred on the exploration properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for, and amount of, any write down. The recognized amounts of such items are based on the Company's best information and judgment. Such amounts may change materially in the future as management continues to gather information.

Based on periodic reviews made by management and where the long-term expectation is that the net carrying amount of these capitalized exploration and development costs will not be recovered, the carrying amount is then written down accordingly and the write-down amount charged to operations. A write down would be indicated where, with respect to exploration properties: exploration activities have ceased; exploration results are not promising such that exploration will not be planned for the foreseeable future; lease ownership rights expire; or insufficient funding is available to complete the exploration program. At December 31, 2010 a review by management determined none of the properties which presently have exploration expenditures capitalized required any impairment.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock-based compensation and warrants. The main factor affecting the estimates of stock-based compensation and warrants is the stock price volatility used. The Company uses historical price data and comparables in the estimate of future volatility.

Subsequent Events

On April 1, 2011, Cogitore closed a non-brokered private placement where it issued 4,000,000 flow-through common shares of the Company at a price of \$0.26 per flow-through common share for aggregate gross proceeds of \$1,040,000. The Company paid a cash commission equal to 5% of certain gross proceeds of the offering to participating registered dealers for an aggregate total of \$27,600.

A number of insiders participated in the offering, thereby making the offering a “related party transaction” pursuant to MI 61-101. Mr. David Comba, a director of the Company, subscribed for 22,000 flow-through common shares. Mrs. Maria Noel Marrelli, spouse of the Chief Financial Officer of the Company, subscribed for 25,233 flow-through common shares. The offering was unanimously approved by the directors of the Company, with the director participating in the offering disclosing its interest and abstaining from voting with respect thereto.

On January 10, 2011, Cogitore announced that Carmelo Marrelli, CA, had been appointed as Chief Financial Officer of the Company. Orest Zajcew resigned as Chief Financial Officer to focus on other activities.

Future Accounting Changes

International Financial Reporting Standards (“IFRS”)

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including Cogitore, effective for fiscal years beginning on or after January 1, 2011.

Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2011. Cogitore's 2011 interim and annual financial statements will include comparative 2010 financial statements, adjusted to comply with IFRS.

IFRS Transition Plan

Cogitore has commenced work on an IFRS transition plan. The following summarizes our progress and expectations with respect to our IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time Adoption of International Financial Reporting Standards.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements.
Final determination of accounting policies and the quantitative impact of adopting IFRS on key line items in the Company's financial statements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements.
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements.

We anticipate engaging our auditors to review our determination of accounting policies under IFRS, the quantitative impact of adopting IFRS on our financial statements and our first interim IFRS financial statements (Q1 2011).

Impact of Adopting IFRS on the Company's Business

During its analysis of requirements for conversion to IFRS Cogitore identified some changes that need to be made to its accounting systems and business processes. We believe that these changes are minimal and the systems and processes can accommodate the necessary changes.

We have not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

Our staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies. Employees of the Company who will be affected by a change to business processes as a result of the conversion to IFRS have also been appropriately trained.

The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and are aware of the key aspects of IFRS affecting Cogitore.

First-time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the

end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

Cogitore has identified the following optional exemptions that it is planning to apply in its preparation of an opening IFRS statement of financial position as at January 1, 2010, the Company's "Transition Date":

- To apply IFRS 2 Share-based Payments only to equity instruments which were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply IFRS 3 Business Combinations prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.
- To apply the transition provisions of IFRIC 4 Determining whether an Arrangement Contains a Lease, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 Borrowing Costs prospectively from the Transition Date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ended March 31, 2011, we may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of Cogitore's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to Cogitore's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. A complete evaluation has not been done, however, based on its evaluation to date, we do expect that some changes to our accounting policies would result in significant changes to line items within its financial statements.

The following provides a summary of Cogitore's evaluation of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas that we have identified as having the most potential for a change in its significant accounting policies according to our analysis to date.

The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time however, we are not aware of any significant expected changes that would affect the summary provided below.

Exploration and Evaluation Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties. The Company expects to establish an accounting policy to expense, as incurred, all costs relating to exploration and evaluation until such time as it has been determined that a property has economically recoverable reserves.

The application of this policy on the adoption of IFRS will have a significant impact on the Company's financial statements. On adoption of IFRS, the carrying value of the mineral resource properties will be reduced to zero (as at the transition date), with a corresponding adjustment to accumulated deficit. All subsequent exploration and evaluation costs will be expensed as incurred until such time as it has been determined that a property has economically recoverable reserves.

Impairment of (Non-financial) Assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences.

Share-based Payments

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

Asset Retirement Obligations (Decommissioning Liabilities)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences.

Income Taxes

IFRS contains some different guidance related to recognition and measurement of future (deferred) income taxes. One of those differences relates to accounting for flow-through common shares, for which IFRS does not include the same level of specific guidance provided under current Canadian GAAP.

The Company has not completed its detailed evaluation of the differences between IFRS and current Canadian GAAP related to accounting for income taxes. These differences could require changes to accounting policies that may impact the Company's financial statements and require adjustments to future (deferred) income taxes and shareholders' equity.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected in Cogitore's first financial statements prepared in accordance with IFRS, which will be the interim financial statements for the three months ending March 31, 2011, and will include notes disclosing transitional information and disclosure of new significant accounting policies under IFRS. The interim financial statements for the three months ending March 31, 2011 will also include 2010 financial statements for the comparative period, adjusted to comply with IFRS, and our transition date IFRS statement of financial position (as at January 1, 2010).

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising capital stock, warrants, contributed surplus and deficit, which at December 31, 2010 totalled \$12,430,200 (December 31, 2009 - \$11,465,091).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its mineral properties. Selected information is frequently provided

to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2010.

Property and Financial Risk Factors Affecting Financial Instruments

(a) Property risk

The Company's significant mineral properties are the Estrades Property, Lemoine Property, Scott Lake Project, Normetal West Project and Caribou Project (collectively, the "Projects"). Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these Projects. If no additional mineral properties are acquired by the Company, any adverse development affecting the Projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk factors

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

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, sundry receivables, Quebec refundable tax credit and refundable mining duty and restricted cash. The Company has no significant concentration of credit risk arising from operations. Cash is held in higher yield chequing accounts at a major financial institution, from which management believes the risk of loss to be minimal. Restricted cash consists of a guaranteed investment certificate, which has been invested with a reputable financial institution.

Sundry receivables consist mostly of goods and services tax refunds due from the Federal Government of Canada and sales tax refunds due from the Quebec Government. Quebec refundable tax credits and refundable mining duty consist of tax refunds from the Quebec Government for incurring exploration expenditures in Quebec. Sundry receivables and Quebec refundable tax credits and refundable mining duty are in good standing as of December 31, 2010. Management believes that the credit risk with respect to sundry receivables and Quebec refundable tax credits and refundable mining duty is minimal.

Liquidity risk

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

stock market conditions generally or related to matters specific to the Company. As at December 31, 2010, the Company had a cash balance of \$1,934,089 (December 31, 2009 - \$1,603,078) to settle current liabilities of \$397,721 (December 31, 2009 - \$734,869). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company is committed to spending eligible exploration expenditures of approximately \$541,400 resulting from the non-brokered private placements of flow-through common shares.

Market risk

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates. The Company regularly monitors its cash management policy.

Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company presently has relatively little exposure to foreign currency risk.

Commodity price risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious and base metals. Precious and base metals prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of precious and base metals may be produced in the future, a profitable market will exist for them. As of December 31, 2010, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

The Company has designated, for accounting purposes, its cash and restricted cash as held-for-trading, which are measured at fair value. Sundry receivables and Quebec refundable tax credit and refundable mining duty are classified for accounting purposes as loans and receivables, which are measured at amortized cost and are equal to fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost and are also equal to fair value.

As of December 31, 2010, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) Cash and restricted cash are subject to floating interest rates. The Company has no debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Fair value hierarchy and liquidity risk disclosure

Cash of \$1,934,089 and restricted cash of \$30,000 are considered as Level 1 within the fair value hierarchy as at December 31, 2010.

Outstanding Share Data

As at the date of this report, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

	<u>Authorized</u>	<u>Outstanding</u>
Voting or Equity Securities Issued and Outstanding	Unlimited Common Shares	64,280,888 Common Shares
Securities convertible or exercisable into voting or equity securities-stock options	Stock Options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 2,972,000 Common Shares

The Company has the following warrants outstanding as at the date of this report:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
966,668	\$0.45	October 30, 2011

Other Risk and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Nature of mineral exploration and mining

At the present time the Company does not hold any interest in a mining property in production. The Company's viability and potential success is based on its ability to develop, exploit and generate revenue from mineral deposits. The exploration and development of mineral deposits

involve significant financial risk over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally incident to exploration and development of mineral properties, any of which could result in damage to life and property, the environment and possible legal liability for any and all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of the operations in which the Company has interests. Hazards, such as unusual or unexpected geological structures, rock bursts, pressure, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or associated with compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

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

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of gold or any other minerals discovered. Commodity prices have fluctuated widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot accurately be predicted.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required carrying out the activities which it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

Competition

The mineral exploration and mining business is competitive in all its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties, the acquisition of mining equipment and related supplies and the attraction and retention of qualified personnel. The ability of the Company to acquire properties, purchase required equipment, and hire qualified personnel in the future will depend not only on its ability to develop its present properties, but also on its ability to identify, arrange, negotiate, select or acquire suitable properties or prospects for mineral exploration, source suitable equipment and hire qualified people. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, sourcing equipment or hiring people.

Environmental and Climate Change Regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The impacts of the Kyoto Protocol are difficult to predict and are not yet fully understood. Such impacts may have an adverse effect on the capital and operating cost of the Company's operations or those of its future customers that may materially affect future operations.

Estimates of mineral resources may not be realized

The mineral resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geological, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic

viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

Dependence on key personnel

The Company is dependent on the services of its senior management and a small number of skilled and experienced employees and consultants. The loss of any such individuals could have a material adverse effect on the Company's operations.

Limited financial resources

The existing financial resources of the Company are not sufficient to bring any of its properties into commercial production. The Company will need to obtain additional financing from external sources in order to fund the development of its properties. There is no assurance that the Company will be able to obtain such financing on favourable terms, or at all. Failure to obtain financing could result in delay or indefinite postponement of further exploration and development of the Company's properties.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements, and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

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. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. 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.

Caution Regarding Forward-Looking Statements

The MD&A contains forward looking information within Canadian securities laws (collectively “forward looking statements”) concerning the anticipated developments in our operations in future periods, our planned exploration activities, the adequacy of our financial resources and other events or conditions that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “anticipates”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential” or variations thereof, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks related to our ability to obtain adequate financing for our planned activities and to complete further exploration programs;
- commodity price fluctuations;
- our history of losses and expectation of future losses;
- recent market events and conditions;
- risks related to general economic conditions;
- risks and uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
- risks related to governmental regulations, including environmental regulations;
- risks related to the delay in obtaining or failure to obtain required permits, or non-compliance with permits we have obtained;
- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- regulations and pending legislation governing issues involving climate change, as well as the physical impacts of climate change, could result in increased operating costs;
- uncertainties related to title to our mineral properties and surface rights;
- risks related to political instability and unexpected regulatory change;
- increased costs affecting the mining industry;

- increased competition in the mining industry for properties, qualified personnel and management;
- risks related to some of our directors' and officers' involvement with other natural resource companies;
- our ability to attract and retain qualified management to grow our business;
- risks related to estimates of future income tax assets and liabilities; and
- risks related to claims and legal proceedings;

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this MD&A under the heading "Risks and Uncertainties". Our forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and we do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, you should not place undue reliance on forward-looking statements.