

**COGITORE RESOURCES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THREE AND NINE MONTHS ENDED**  
**SEPTEMBER 30, 2011**

## **Introduction**

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") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2011. 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 annual financial statements of the Company for the years ended December 31, 2010 and December 31, 2009, as well as the unaudited condensed interim financial statements for the three and nine months ended September 30, 2011, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 25, 2011, unless otherwise indicated.

On January 1, 2011, Cogitore adopted International Financial Reporting Standards ("IFRS"). The condensed unaudited interim financial statements for the three and nine months ended September 30, 2011, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with IFRS. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Readers of this MD&A should refer to "Changes in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation.

The comparative financial information of 2010 in this MD&A has been restated to conform to IFRS, unless otherwise stated.

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) 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.

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](http://www.sedar.com) or at the Company's website [www.cogitore.com](http://www.cogitore.com).

## **Cautionary Note Regarding Forward-Looking Information**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions,

events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of Cogitore's properties to contain mineral deposits; the Company's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2012; the plans, costs, timing and capital for future exploration and development of Cogitore's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for mineral deposits; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Cogitore's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, mineral deposits, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to the Company's properties, the possibility that future exploration results will not be consistent with Cogitore's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mining industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Cogitore's exploration and development activities; operating and exploration costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Cogitore's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **Description of Business**

The Company is a Tier-2 Mining Issuer engaged in the exploration for base metals on 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. As of September 30, 2011, the Company's properties included:

- Scott Lake Project (Quebec)

- Estrades Property (Quebec)
- Lemoine Property (Quebec)
- Caribou Project (Quebec)
- Normetal West Project (Ontario)
- Selbaie West (Quebec)
- Hebecourt (Quebec)
- Landrienne (Quebec)
- Castagnier (Quebec)

## **Overall Performance**

At September 30, 2011, the Company had working capital of \$2,007,086, compared to \$2,457,165 at December 31, 2010. The Company had cash of \$178,865 at September 30, 2011, compared to \$1,934,089 at December 31, 2010. The decrease in both working capital and cash is primarily due to corporate overhead and the Company's current exploration program.

On April 1, 2011, the Company closed a non-brokered private placement of 4,000,000 flow-through common shares (the "Offering") at a price of \$0.26 per flow-through common share for aggregate 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.

On October 18, 2011, the Company entered a loan agreement with a private institutional lender to borrow \$500,000 which matures on the earlier of (i) June 30, 2012, (ii) December 31, 2011 if certain Quebec mining tax credits are received by the Company prior to December 31, 2011, and (iii) ten days from the date certain Quebec mining tax credits are received by the Company if received after December 31, 2011. Interest on the loan is 9% per annum and is due and payable at Maturity. Pursuant to the agreement the Company issued the lender warrants exercisable for up to 500,000 common shares of the Company at \$0.26 per share until October 18, 2012. All securities issued pursuant to the financing are subject to a four-month hold period.

In addition, Cogitore personnel evaluated a number of new business opportunities, including both exploration and development properties with potential for hosting commercial deposits containing base metals. The search for additional projects continues.

See "Mineral Property Interests" below for a discussion of the Company's exploration activities.

## **Technical Information**

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 "Mineral Property Interests" below.

## **Mineral Property Interests**

### **2011 THIRD QUARTER EXPLORATION ACTIVITIES**

No drills were in action in the third quarter as exploration efforts were focused on preparing the next phase drilling programs at Scott Lake and other projects.

#### Scott Lake

The final NI-43-101 compliant Technical Report on the recent resource estimate on Scott Lake was received from consultant Roscoe Postle Associates ("RPA") and filed on July 29, 2011.

Following one of the several recommendations made by RPA in the report, a preliminary metallurgical test was initiated on a composite sample representative of the average grade of the deposit. The test involves the differential flotation method and is designed to produce separate copper and zinc concentrates using standard off-the-shelf techniques and reagents. Although the test is still on-going, preliminary results show that both the copper and the zinc minerals float very easily and that efforts will have to be focused on improving selectivity of the flotation processes to improve metal recoveries and quality of concentrates.

#### Other projects

Field and compilation work was done at Caribou and Selbaie West in preparation for next winter's drilling programs and at the Landrienne project south of Amos.

#### 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. However, because such valuable concentrations of metals can occupy a relatively small volume, they may therefore require considerable drilling to be discovered and delineated.

The Company is very pleased with the results of the updated resource estimate at Scott Lake and considers that going over the 5 million tonnes resource threshold is significant step forward for the project and a remarkable achievement for the Company. In addition to further drilling, Company management is currently evaluating the merits of initiating a Preliminary Economic Assessment in light of the increased resources and of currently sustained metal prices.

The Company presently expects to spend approximately \$2,500,000 on exploration in 2011, including approximately \$1,500,000 at Scott Lake. The Company has no present plans for any material capital expenditures in 2011.

### Exploration and Evaluation Expenditures

<b>Estrades Project</b>	<b>Three months ended September 30, 2011</b> \$	<b>Three months ended September 30, 2010</b> \$	<b>Nine months ended September 30, 2011</b> \$	<b>Nine months ended September 30, 2010</b> \$	<b>Cumulative expenditures to September 30, 2011</b> \$
Property acquisition costs	nil	nil	nil	nil	2,175,089
Travel, hotel and meals	nil	nil	nil	nil	607
Property maintenance	nil	nil	416	nil	26,107
Geochemistry and geophysics	nil	nil	nil	nil	102,088
Drilling	nil	nil	1,411	nil	930,148
Environment	nil	nil	nil	nil	44,853
Line cutting	nil	nil	nil	nil	8,865
General and geology	113	nil	1,888	nil	713,762
Professional fees	nil	nil	Nil	nil	125,858
Regional office expenses	73	nil	289	nil	111,088
<b>Activity during the period</b>	<b>186</b>	<b>nil</b>	<b>4,004</b>	<b>nil</b>	<b>4,238,465</b>

<b>Estrades (Inmet) Property</b>	<b>Three months ended September 30, 2011</b> \$	<b>Three months ended September 30, 2010</b> \$	<b>Nine months ended September 30, 2011</b> \$	<b>Nine months ended September 30, 2010</b> \$	<b>Cumulative expenditures to September 30, 2011</b> \$
Property acquisition costs	nil	nil	nil	nil	6,109
Travel, hotel and meals	14	nil	14	nil	67
Property maintenance	1,537	52	5,892	2,522	25,242
Geochemistry and geophysics	9,222	(1,650)	79,225	53,432	389,594
Drilling	nil	(1,470)	58	197,020	1,984,799
Line cutting	nil	nil	4,430	nil	32,134
General and geology	30,514	3,506	49,513	23,025	380,073
Regional office expenses	8,850	935	13,770	12,499	165,841
<b>Activity during the period</b>	<b>50,137</b>	<b>1,373</b>	<b>152,902</b>	<b>288,498</b>	<b>2,983,859</b>

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<b>Lemoine Property</b>	<b>Three months ended September 30, 2011</b> \$	<b>Three months ended September 30, 2010</b> \$	<b>Nine months ended September 30, 2011</b> \$	<b>Nine months ended September 30, 2010</b> \$	<b>Cumulative expenditures to September 30, 2011</b> \$
Property acquisition costs	191	180	191	180	301,971
Travel, hotel and meals	nil	nil	nil	nil	5,807
Property maintenance	nil	1,404	5,044	1,664	31,852
Geochemistry and geophysics	nil	nil	nil	nil	465,908
Drilling	1,064	(543)	150,361	1,230	2,406,315
Line cutting	nil	nil	nil	nil	58,408
General and geology	138	2,301	9,764	2,566	267,724
Regional office expenses	218	862	7,630	965	224,793
<b>Activity during the period</b>	<b>1,611</b>	<b>4,204</b>	<b>172,990</b>	<b>6,605</b>	<b>3,762,778</b>

<b>Back-in Properties</b>	<b>Three months ended September 30, 2011</b> \$	<b>Three months ended September 30, 2010</b> \$	<b>Nine months ended September 30, 2011</b> \$	<b>Nine months ended September 30, 2010</b> \$	<b>Cumulative expenditures to September 30, 2011</b> \$
Property acquisition costs	nil	nil	nil	nil	308,724
Travel, hotel and meals	nil	nil	nil	nil	24,677
Property maintenance	nil	104	nil	4,264	59,473
Geochemistry and geophysics	nil	656	nil	656	211,726
Drilling	nil	(1,092)	nil	2,417	908,870
Line cutting	nil	nil	nil	nil	23,204
General and geology	nil	14,018	nil	18,586	758,082
Professional fees	nil	nil	nil	nil	56,951
Participant's share	nil	nil	nil	nil	1,223,726
Regional office expenses	nil	2,629	nil	3,169	(36,401)
<b>Activity during the period</b>	<b>nil</b>	<b>16,315</b>	<b>nil</b>	<b>29,092</b>	<b>3,539,032</b>

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<b>Scott Project</b>	<b>Three months ended September 30, 2011</b>	<b>Three months ended September 30, 2010</b>	<b>Nine months ended September 30, 2011</b>	<b>Nine months ended September 30, 2010</b>	<b>Cumulative expenditures to September 30, 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Property acquisition costs	4,046	403	4,721	403	523,179
Travel, hotel and meals	2,220	2,989	4,838	3,986	19,461
Property maintenance	nil	nil	5,033	2,808	28,619
Geochemistry and geophysics	2,650	22,414	77,850	79,399	793,768
Drilling	8,045	306,482	931,267	828,593	6,175,193
Line cutting	nil	nil	12,750	2,293	82,683
General and geology	157,712	62,479	317,131	169,496	1,357,855
Professional fees	nil	nil	nil	nil	12,076
Regional office expenses	31,895	27,990	102,610	81,602	545,401
<b>Activity during the period</b>	<b>206,568</b>	<b>422,757</b>	<b>1,456,200</b>	<b>1,168,580</b>	<b>9,538,235</b>

<b>Normetal West Project</b>	<b>Three months ended September 30, 2011</b>	<b>Three months ended September 30, 2010</b>	<b>Nine months ended September 30, 2011</b>	<b>Nine months ended September 30, 2010</b>	<b>Cumulative expenditures to September 30, 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Property acquisition costs	nil	(25,000)	nil	(25,000)	38,160
Property maintenance	nil	nil	nil	468	2,474
Geochemistry and geophysics	nil	408	nil	408	394,265
General and geology	360	2,719	2,069	22,087	250,949
Drilling	nil	2	2,870	16	23,508
Line cutting	292	nil	292	nil	107,487
Travel	nil	nil	nil	21	241
Regional office expenses	311	1,114	533	2,426	35,311
<b>Activity during the period</b>	<b>963</b>	<b>(20,757)</b>	<b>5,764</b>	<b>426</b>	<b>852,395</b>

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<b>Caribou Project</b>	<b>Three months ended September 30, 2011</b> \$	<b>Three months ended September 30, 2010</b> \$	<b>Nine months ended September 30, 2011</b> \$	<b>Nine months ended September 30, 2010</b> \$	<b>Cumulative expenditures to September 30, 2011</b> \$
Property acquisition costs	nil	800	nil	800	29,300
Property maintenance	nil	3,198	2,874	3,874	22,890
Geochemistry and geophysics	1,000	(7,750)	23,690	59,625	266,902
General and geology	8,547	18,041	54,320	54,499	326,754
Drilling	nil	250	197,992	416,361	1,233,671
Line cutting	nil	nil	9,860	nil	31,396
Travel	nil	nil	546	nil	815
Regional office expenses	1,626	3,669	13,538	25,222	90,929
<b>Activity during the period</b>	<b>11,173</b>	<b>18,208</b>	<b>302,820</b>	<b>560,381</b>	<b>2,002,657</b>

### **Overall Objective**

The Company is a junior mineral exploration company with an experienced management team engaged in the acquisition, exploration and development of properties for the mining of base metals. Cogitore is in the process of exploring its mineral properties and has not yet determined whether these properties contain any economically recoverable mineral reserves. The recoverability of exploration and evaluation expenditures is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of its properties, the selling prices of minerals at the time, if ever, that the Company commences production from its properties, government policies and regulations and future profitable production or proceeds from the disposition of such properties.

Cogitore has not discovered economically recoverable mineral reserves, but has discovered sufficient tonnage and grade at Scott to warrant a scoping study level of evaluation. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company may also seek to acquire additional mineral resource properties or companies holding such properties. The Company notes that mineral exploration in general is uncertain and the probability of finding economically recoverable mineral reserves on any one of its early stage prospects is low. However, the probability that one of the many prospects acquired will host economically recoverable mineral reserves is higher. As a result, the Company believes it is able to reduce overall exploration risk by acquiring additional mineral properties. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, their location, or a combination of these and other factors. Risk

factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish economically recoverable mineral reserves, the fact that expenditures made by the Company may not result in discoveries of economically recoverable mineral reserves, environmental risks, risks associated with land title, the competition faced by the Company and the potential failure of the Company to generate adequate funding for any such acquisitions. See "Risk Factors".

### **Selected Quarterly Information**

For quarters ending after January 1, 2010, the quarterly results have been restated to reflect accounting policies consistent with IFRS. Quarterly results for quarters ended before January 1, 2010, have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Three Months Ended	Accounting Policies	Total Revenue (\$)	Profit or Loss	
			Total (\$)	Per Share (\$)
September 30, 2011	IFRS	-	(205,889) <sup>(1)</sup>	(0.00)
June 30, 2011	IFRS	-	(479,365) <sup>(2)</sup>	(0.01)
March 31, 2011	IFRS	-	(621,935) <sup>(3)</sup>	(0.01)
December 31, 2010	IFRS	-	(431,477) <sup>(4)</sup>	(0.00)
September 30, 2010	IFRS	-	(462,017) <sup>(5)</sup>	(0.01)
June 30, 2010	IFRS	-	(362,353) <sup>(6)</sup>	(0.01)
March 31, 2010	IFRS	-	(702,871) <sup>(7)</sup>	(0.01)
December 31, 2009	Canadian GAAP	-	769,607 <sup>(8)</sup>	0.01

Notes:

(1) Net loss of \$205,889 resulted from exploration and evaluation expenditures of \$270,638, salaries and benefits of \$18,125, professional fees of \$31,135, office and general of \$32,793 and new project development of \$11,899, offset by an income tax recovery for Quebec refundable tax credit of \$116,018, an income tax recovery of \$49,964 resulting from the renunciation of flow-through shares and interest income of \$342. All other expenses related to general working capital purposes.

(2) Net loss of \$479,365 resulted from exploration and evaluation expenditures of \$511,161, salaries and benefits of \$50,000 and professional fees of \$82,635, offset by an income tax recovery for Quebec refundable tax credit of \$156,198 and an income tax recovery of \$94,000 resulting from the renunciation of flow-through shares. All other expenses related to general working capital purposes.

(3) Net loss of \$621,935 resulted from exploration and evaluation expenditures of \$1,312,881, salaries and benefits of \$21,868 and professional fees of \$31,535, offset by an income tax recovery for Quebec refundable tax credit of \$458,904 and an income tax recovery of \$350,000 resulting from the renunciation of flow-through shares. All other expenses related to general working capital purposes.

(4) Net loss of \$431,477 resulted from a recovery of exploration and evaluation expenditures of \$627,073, salaries and benefits of \$59,035 and professional fees of \$39,629, offset by an income tax recovery from

income tax credits from Quebec of \$361,800. All other expenses related to general working capital purposes.

(5) Net loss of \$462,017 resulted from exploration and evaluation expenditures of \$442,100, salaries and benefits of \$35,928 and professional fees of \$103,858, offset by an income tax recovery from income tax credits from Quebec of \$161,999. All other expenses related to general working capital purposes.

(6) Net loss of \$362,353 resulted from exploration and evaluation expenditures of \$378,493, salaries and benefits of \$47,795 and professional fees of \$32,844, offset by an income tax recovery from income tax credits from Quebec of \$155,560. All other expenses related to general working capital purposes.

(7) Net loss of \$702,871 resulted from exploration and evaluation expenditures of \$1,232,988, salaries and benefits of \$30,981 and professional fees of \$40,805, offset by an income tax recovery of \$256,751 and an income tax recovery from income tax credits from Quebec of \$429,293. All other expenses related to general working capital purposes.

(8) Net income of \$769,607 resulted mainly from a future income tax recovery of \$1,074,030, offset by a write-off of exploration costs of \$17,220, salaries and benefits of \$66,393, shareholder and investor relations fees of \$42,799 and professional fees of \$105,454. All other expenses related to general working capital purposes.

## **Discussion of Operations**

The Company has chosen to expense its exploration and evaluation expenditures as incurred instead of capitalizing these costs to the statement of financial position. The Company has chosen this policy because management has not yet determined that there will be a future benefit from its exploration properties.

See "Mineral Property Interests", above.

### *Nine months ended September 30, 2011, compared with nine months ended September 30, 2010*

Cogitore's net loss totaled \$1,307,189 for the nine months ended September 30, 2011, with basic and diluted loss per share of \$0.02. This compares with net loss of \$1,527,241 with basic and diluted loss per share of \$0.03 for the nine months ended September 30, 2010. The decrease of \$220,052, in net loss was principally because:

- Exploration and evaluation expenditures increased by \$41,100 as work continued during the year. See "Mineral Property Interests" and "Exploration and Evaluation Expenditures" above for a description of current exploration activities;
- The Company had an income tax recovery of \$493,964 during the nine months ended September 30, 2011, compared to \$256,751 during the nine months ended September 30, 2010. The income tax recovery is due to the renunciation of flow-through shares in 2010 and 2011;
- The Company incurred \$145,305 in professional fees during the nine months ended September 30, 2011, compared to \$177,507 during the nine months ended September 30, 2010. The decrease of \$32,202 is due to decreased corporate activity requiring legal and accounting assistance;

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- Office and general increased by \$50,359 to \$87,944 from \$37,585 during the nine months ended September 30, 2011. The increase is due to higher support costs for the Company's mineral projects;
- The Company incurred \$49,231 in shareholder and investor relations fees during the nine months ended September 30, 2011, compared to \$59,043 during the same period last year. The Company has not been as active in terms of investor relations and business development during the nine months ended September 30, 2011;
- Income tax recovery from income tax credits from Quebec decreased marginally by \$15,731 as work continued in the quarter. The Company is entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec. The Company has accrued \$731,120 during the nine months ended September 30, 2011 towards this recovery; and
- All other expenses related to general working capital expenditures.

*Three months ended September 30, 2011, compared with three months ended September 30, 2010*

Cogitore's net loss totaled \$205,889 for the three months ended September 30, 2011, with basic and diluted loss per share of \$0.00. This compares with net loss of \$462,017 with basic and diluted loss per share of \$0.01 for the three months ended September 31, 2010. The decrease of \$256,128 in net loss was principally because:

- Exploration and evaluation expenditures decreased by \$171,462 as work continued during the year. See "Mineral Property Interests" and "Exploration and Evaluation Expenditures" above for a description of current exploration activities;
- The Company had an income tax recovery of \$49,964 during the three months ended September 30, 2011, compared to \$nil during the three months ended September 30, 2010. The income tax recovery is due to the renunciation of flow-through shares in 2011;
- The Company incurred \$31,135 in professional fees during the three months ended September 30, 2011, compared to \$103,858 during the three months ended September 30, 2010. The decrease of \$72,723 is due to decreased corporate activity requiring legal and accounting assistance;
- Office and general increased by \$24,006 to \$32,793 from \$8,787 during the three months ended September 30, 2011. The increase is due to higher support costs for the Company's mineral projects;
- The Company incurred \$3,163 in shareholder and investor relations fees during the three months ended September 30, 2011, compared to \$2,113 during the same period last year. The Company has not been as active in terms of investor relations and business development during the three months ended September 30, 2011 and 2010.
- Income tax recovery from income tax credits from Quebec decreased by \$45,981 as work continued in the quarter. The Company is entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec. The Company has accrued \$116,018 during the three months ended September 30, 2011 towards this recovery; and

- All other expenses related to general working capital expenditures.

## **Liquidity and Financial Position**

The activities of the Company, which consist principally of the acquisition and exploration of properties that have the potential to contain base metals, are financed through equity offerings and the exercise of stock options and warrants.

On April 1, 2011, the Company closed the Offering at a price of \$0.26 per flow-through common share for aggregate proceeds of \$1,040,000.

At September 30, 2011, Cogitore had \$178,865 in cash (December 31, 2010 - \$1,934,089). The decrease in cash is primarily due to corporate overhead and the Company's current exploration program.

Accounts payable and accrued liabilities decreased to \$111,467 at September 30, 2011, compared to \$397,721 at December 31, 2010. Accounts payable and accrued liabilities were lower in the latest period due to the timing of the Company's exploration program.

The flow-through share liability decreased from \$350,000 at December 31, 2010 to \$48,036 at September 30, 2011. The flow-through share liability will be reduced to \$nil in due course on a pro-rata basis based on the corresponding eligible expenditures that have been incurred relative to total expenditures committed under the program and it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

As of September 30, 2011, and as of the date of this MD&A, the cash resources of Cogitore were and are held with one Canadian chartered bank.

The Company had no debt at September 30, 2011 and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's use of cash is expected to continue to be focused on two principal areas, namely for exploration as described under the Outlook section above and to support corporate overhead. For the twelve-month period ending December 31, 2011, corporate head office costs are estimated to average less than \$180,000 per quarter. The \$180,000 covers general and administrative costs, professional fees, and director fees. The Company expects to spend approximately \$2,500,000 on exploration in 2011, including approximately \$1,500,000 at Scott Lake. The Company expects to fund its exploration budget from the flow-through funds raised in the Offering on April 1, 2011, a \$500,000 loan from a private institutional lender as mentioned in the "Overall Performance" section above and the expected receipt of \$1,899,962 from the Quebec refundable tax credit and mining duty refund from the Quebec government.

The Company has sufficient working capital to meet its corporate overhead for the next twelve months ending September 30, 2012. Further financing will be required for operations beyond the next 12 months. 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.

## Related Party Transactions

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Cogitore entered into the following transactions with related parties:

Names	Three months ended September 30, 2011 \$	Three months ended September 30, 2010 \$	Nine months ended September 30, 2011 \$	Nine months ended September 30, 2010 \$
Marrelli CFO Outsource Syndicate Inc. ("Marrelli") <sup>(1)(4)</sup>	4,500	nil	13,500	nil
Marrelli Support Services Inc. ("MSSI") <sup>(2)(4)</sup>	6,735	6,584	25,775	22,275
MSSI <sup>(3)(4)</sup>	nil	(500)	(2,250)	(3,250)
DSA Corporate Services Inc. ("DSA") <sup>(5)</sup>	4,050	1,543	8,758	4,589
2142058 Ontario Inc. <sup>(6)</sup>	12,500	12,500	37,500	37,500
<b>Total</b>	<b>27,785</b>	<b>20,127</b>	<b>83,283</b>	<b>61,114</b>

<sup>(1)</sup> The Chief Financial Officer ("CFO") of Cogitore is the President of Marrelli. Fees relate to the CFO function performed.

<sup>(2)</sup> The CFO of Cogitore is the President of MSSI. Fees relate to accounting services provided by MSSI.

<sup>(3)</sup> The CFO of Cogitore is the President of MSSI. Fees relate to office rent paid by MSSI to the Company.

<sup>(4)</sup> As at September 30, 2011, MSSI was owed \$2,797 (December 31, 2010 - \$17,274), and these amounts were included in amounts payable and other liabilities. These amounts are unsecured, non-interest-bearing and are due on demand. As at September 30, 2011, there was no fee owed to Marrelli (December 31, 2010 - \$nil and January 1, 2010 - \$nil).

<sup>(5)</sup> Carmelo Marrelli, the CFO of Cogitore is the Secretary of DSA, a firm providing corporate secretarial services to the Company. As at September 30, 2011, DSA was owed \$1,526 (December 31, 2010 - \$565 and January 1, 2010 - \$544) and these amounts were included in amounts payable and other liabilities. These amounts are unsecured, non-interest-bearing and are due on demand.

<sup>(6)</sup> Management services fees paid to 2142058 Ontario Inc., a company controlled by Mark Goodman, an officer of the Company. As at September 30, 2011, 2142058 Ontario Inc. was owed \$nil (December 31, 2010 - \$nil and January 1, 2010 - \$nil), and this amount was included in amounts payable and other liabilities. These amount are unsecured, non-interest bearing and are due on demand.

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Remuneration, other than consulting fees, of Directors and key management of the Company was as follows:

<b>Salaries and benefits</b>	<b>Three months ended September 30, 2011</b> \$	<b>Three months ended September 30, 2010</b> \$	<b>Nine months ended September 30, 2011</b> \$	<b>Nine months ended September 30, 2010</b> \$
David Comba, Director	6,250	1,750	10,750	8,250
Gerald Riverin, CEO	38,750	38,750	116,250	116,250
Jonathan Goodman, Director	1,750	1,250	5,250	4,250
Stephen Lidsky, Director	2,250	1,750	6,750	8,750
Tony Brisson, former VP Exploration	18,824	27,000	72,824	81,000
Vincent O'Meara, former Director	2,250	1,750	6,750	6,250
Alan Krushnisky, Director and Audit Chair	4,750	6,000	8,250	7,250
Mark Goodman, Director and Executive Chairman	nil	nil	nil	5,500
Orest Zajcew, former CFO	nil	11,250	nil	33,750
<b>Total</b>	<b>74,824</b>	<b>89,500</b>	<b>226,824</b>	<b>271,250</b>

Salaries and benefits include director fees. The board of directors and officers do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

<b>Share based payments</b>	<b>Three months ended September 30, 2011</b> \$	<b>Three months ended September 30, 2010</b> \$	<b>Nine months ended September 30, 2011</b> \$	<b>Nine months ended September 30, 2010</b> \$
Carmelo Marrelli, CFO	nil	nil	31,500	nil
Jo-Anne Archibald, Corporate Secretary	nil	nil	10,500	nil
<b>Total</b>	<b>nil</b>	<b>nil</b>	<b>42,000</b>	<b>nil</b>

### **Off-Balance-Sheet Arrangements**

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its financial performance or financial condition, including, without

limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

### **Proposed Transactions**

There are no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

### **Critical Accounting Estimates**

Significant assumptions about the future management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- all inputs used in the Black-Scholes model for determining the fair value of share-based payment transactions in the statement of loss and comprehensive loss;

### **Critical accounting judgments**

Categorization of financial assets and liabilities is an accounting policy that requires management to make judgments or assessments.

- The Company's assumption of no material restoration, rehabilitation and environmental provisions, based on the facts and circumstances that existed during the period;
- The Company's position that there are no income tax considerations required within the unaudited condensed interim financial statements, with the exception of those discussed in note 20 of the unaudited condensed interim financial statements for the three and nine months ended September 30, 2011 and 2010;
- Going-concern presentation of the financial statements, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due; and
- The Company's position that all recognized Quebec refundable tax credits represent valid claims on qualified expenditures incurred on mining properties.

### **Changes in Accounting Policies**

#### ***Impact of Adopting IFRS on the Company's Accounting Policies***

The Company has prepared its financial statements in accordance with IFRS. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note 20, "Conversion to IFRS" of the unaudited condensed interim financial statements. This note also includes reconciliations of equity and comprehensive loss for comparative periods reported under Canadian GAAP with amounts reported for those periods under IFRS.

The Company has changed certain accounting policies to be consistent with IFRS as it is expected to be effective or available on December 31, 2011, the Company's first annual IFRS reporting date. The

changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

*(a) Exploration and evaluation expenditures*

On transition to IFRS, the Company adopted a policy to expense exploration and evaluation expenditures as incurred. Previously, the Company's Canadian GAAP policy was to capitalize exploration and evaluation expenditures as incurred. As a result of this adoption, all previously capitalized mineral property costs were written off against accumulated deficit, and to the extent they related to costs incurred in the current period, against the statement of loss and comprehensive loss.

Due to the adoption of a policy to expense exploration costs as incurred, all previously recognized deferred tax liabilities on temporary differences from the carrying amounts of assets and their tax bases were de-recognized against accumulated deficit amounting to \$2,158,677, \$2,158,677 and \$2,273,052 as at January 1, 2010, September 30, 2010 and December 31, 2010, respectively.

Upon transition to IFRS, the Company has presented the refundable tax credits as income tax recovery instead of reducing the exploration expenditures incurred (which were previously capitalized under Canadian GAAP) in the statements of loss and comprehensive loss.

*(b) Flow-through shares*

On transition to IFRS, the Company adopted a policy whereby proceeds from flow-through share issuance are allocated between the offering of shares and the sale of tax benefits based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A flow-through share liability is recognized for this difference and is extinguished by recognizing an income tax recovery when the entity renounces the tax deductions. Previously, the Company's Canadian GAAP policy was to adopt the recommendations of Emerging Issues Committee ("EIC") 146 with respect to the accounting for flow-through shares. This resulted in the Company reducing the net proceeds of the flow-through share issuance by the future tax liability resulting from the renunciation of the exploration and development expenditures in favour of the flow-through share subscribers.

Upon adoption of IFRS, the Company reversed previously recognized future tax liabilities and the related reduction in share capital amounted to \$4,252,386, \$4,680,609 and \$4,680,609 as at January 1, 2010, September 30, 2010, and December 31, 2010, respectively.

All previously unrecognized amounts of flow-through share liabilities that had been fully renounced were reclassified from share capital to accumulated deficit amounting to \$1,088,250, \$1,345,001 and \$1,345,001 as at January 1, 2010, September 30, 2010 and December 31, 2010, respectively.

Flow-through share liability of \$256,751, \$200,000 and \$350,000 was recognized as at January 1, 2010, September 30, 2010 and December 31, 2010, respectively, related to flow-through shares issued but not yet renounced at those dates.

***Impact of Adopting IFRS on the Company's Business***

The adoption of IFRS has resulted in some changes to the Company's accounting systems and business processes. However, the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Company's 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.

The Board of Directors and Audit Committee have been regularly updated throughout the Company's IFRS transition process, and are aware of the key aspects of IFRS affecting the Company.

***New accounting standards and interpretations***

**International Financial Reporting Standard 9, Financial Instruments (IFRS 9)**

Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.

The Company has not yet assessed the impact of the standard.

**International Financial Reporting Standards 10, Consolidation (IFRS 10)**

Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual period beginning on or after January 1, 2013. Earlier adoption is permitted.

The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

**International Financial Reporting Standard 11, Joint Arrangements (IFRS 11)**

Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

The Company has not yet assessed the impact of the standards or determined whether it will adopt the standard early.

**International Financial Reporting Standard 12, Disclosure of Interests in Other Entities (IFRS 12)**

Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

**International Financial Reporting Standard 13, Fair Value Measurement (IFRS 13)**

Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosures regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorised under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

**International Accounting Standard 1, Presentation of financial statements ("IAS 1")**

Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

The Company will assess the impact of the amendment.

## **Financial Instruments**

### **Financial risk**

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

Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors.

#### *(i) 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 and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable and Quebec refundable tax credits and refundable mining duty from government authorities in Canada. Amounts receivable are in good standing as of September 30, 2011. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

#### *(ii) 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's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30, 2011, the Company had cash of \$178,865 (December 31, 2010 - \$1,934,089 and January 1, 2010 - \$1,603,078) to settle current liabilities of \$159,503 (December 31, 2010 - \$747,721 and January 1, 2010 - \$991,620). 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 liquidity. The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

*(iii) Market risk*

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

**(a) Interest rate risk**

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

**(b) 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's exposure to foreign currency risk is minimal.

**Sensitivity analysis**

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a nine 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.

**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's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at September 30, 2011, totaled \$2,289,341 (December 31, 2010 - \$2,748,207 and January 1, 2010 - \$3,038,912).

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 updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company.

The Company is not subject to any capital requirements imposed by a lending institution.

### **Environmental Contingency**

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of the date of this MD&A, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

### **Share Capital**

The Company has 64,280,888 common shares, 2,100,000 stock options and 1,466,668 warrants issued and outstanding. The Company, therefore, has 67,847,556 common shares on a fully diluted basis.

### **Risk Factors**

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 its 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 substantial financial risk over a long 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 that 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 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 or 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 it considers adequate, the nature of these risks is 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 that 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 holds all necessary licenses and permits required for carrying out the activities it is currently conducting under applicable laws and regulations, and the Company believes it is 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 that 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 that 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 financial performance. 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 combination of 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 unaudited condensed interim 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 unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all

material respects the financial condition, financial performance 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 do not make 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 (IFRS).

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.

## **Subsequent Events**

(a) On October 18, 2011, the Company entered a loan agreement with a private institutional lender to borrow \$500,000 which matures on the earlier of (i) June 30, 2012, (ii) December 31, 2011 if certain Quebec mining tax credits are received by the Company prior to December 31, 2011, and (iii) ten days from the date certain Quebec mining tax credits are received by the Company if received after December 31, 2011. Interest on the loan is 9% per annum and is due and payable at Maturity. Pursuant to the agreement the Company issued the lender warrants exercisable for up to 500,000 common shares of the Company at \$0.26 per share until October 18, 2012. All securities issued pursuant to the financing are subject to a four-month hold period.

(b) On November 10, 2011, the Company received \$827,293 for the 2010 refundable mining tax credits based on eligible exploration expenditures incurred in the province of Quebec.

## Additional Disclosure for Venture Issuers Without Significant Revenue

Detail	Three months ended September 30, 2011 \$	Three months ended September 30, 2010 \$	Nine months ended September 30, 2011 \$	Nine months ended September 30, 2010 \$
Professional fees	31,135	103,858	145,305	177,507
Salaries and benefits	18,125	35,928	89,993	114,704
Shareholder and investors relations	3,163	2,113	49,231	59,043
Rent	nil	14,762	17,599	42,529
Reporting issuer costs	1,125	2,924	14,547	16,038
Office and general	32,793	8,787	87,944	37,585
New project development	11,899	10,303	25,167	20,761
Amortization	2,930	2,953	8,787	8,177
Interest and bank charges	405	303	1,300	966
<b>Total</b>	<b>101,575</b>	<b>181,931</b>	<b>439,873</b>	<b>477,310</b>