TintinaGold resources inc.

(FORMERLY MANTRA MINING INC.)

Management Discussion and Analysis

FOR THE YEAR ENDED SEPTEMBER 30, 2010

1.1 General

This Management Discussion and Analysis ("MD&A") of TintinaGold Resources Inc. (Formerly Mantra Mining Inc.) (the "Company") has been prepared by management as of December 17, 2010 and should be read in conjunction with the audited consolidated financial statements and related notes thereto of the Company for the year ended September 30, 2010, which were prepared in accordance with Canadian generally accepted accounting policies ("Canadian GAAP"). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Corporation are available on the Company's website at www.tintinagold.com or on SEDAR at www.sedar.com.

This MD&A may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

Description of Business

The Company was incorporated on July 30, 1998 under the laws of British Columbia as Global Sortweb.com Inc. ("Global"). On June 9, 2006, the Company changed its name from Global to Mantra Mining Inc. ("Mantra") Prior to the name change, the Company was involved in developing internet services through its wholly-owned subsidiary. The Company changed its name on September 28, 2009 from Mantra to TintinaGold Resources Inc. ("TintinaGold") by a resolution of the directors to better reflect the Company's focus on the Tintina gold belt in Alaska, United States.

On December 15, 2006, the Company acquired a 100% wholly owned subsidiary company, Mantra Mining (India) Pvt. Ltd., located in Pune, India. On June 30, 2008 and August 14, 2008, the Company incorporated two separate companies in the state of Delaware, Mantra Alaska Mining, Inc. ("MAMI") and Mantra Alaska Exploration, Inc. ("MAEI") respectively in anticipation of acquiring interest in mineral claims in Alaska. On June 21, 2010, the Company changed the names of MAMI and MAEI to Tintina Alaska Mining, Inc. ("TAMI") and Tintina Alaska Exploration, Inc. ("TAEI") respectively. The results of operations of the incorporated subsidiaries have been included in the consolidated financial statements from the acquisition date.

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

1.2 Overall Performance

During the year ended September 30, 2010 ("FY2010"), TintinaGold continued to advance its Colorado Creek, Kugruk, Baird, and Sheep Creek projects. The Company incurred $4,127,116 of acquisition and exploration expenditures during FY2010.

The Company incurred a loss of $2,557,948 or $0.03 per share during FY2010 as compared to a loss of $6,731,110 or $0.12 per share during the year ended September 30, 2009 ("FY2009"), representing a decrease in loss of $4,173,162.

The following is a summary of certain significant variances:

- Advertising and promotion costs increased $26,678 from $97,267 during FY2009 to $123,945 during FY2010 primarily due to: (i) graphic design fees relating to corporate booth displays, brochures, corporate logo; (ii) design and implementation fees regarding new corporate website and email system; and (iii) additional conference attendance to promote the Company.
- Consulting fees decreased $22,831 from $50,990 during FY2009 to $28,159 during FY2010 as the Company increased employee head count.
- Salary and wages increased $164,763 during FY2010 from $78,014 during FY2009 to $242,777 during FY2010 primarily due to staff increases at head office in Vancouver, Canada and the Indian office in Pune, India.
- Information technology costs increased $40,804 during FY2010 from $Nil during FY2009 as changes to the Company's information technology infrastructure required more service support for servers, software applications, and other equipment.
- Insurance costs increased $80,524 from $28,992 during FY2009 to $109,516 during FY2010 as the Company obtained insurance regarding: (i) directors and officers liability, (ii) commercial and general liability, and (iii) non-owned aviation liability.
- Office, administration, and miscellaneous expenses increased $67,382 from $129,714 during FY2009 to $197,096 during FY2010 primarily due to the increased number of personnel employed by the Company.
- Professional fees decreased $193,510 from $396,508 during FY2009 to $202,998 during FY2010 mainly due to reduced legal fees incurred with respect to corporate and other matters.
- Management fees increased $30,000 from $210,000 during FY2009 to $240,000 during FY2010 to compensate for additional management time required to manage the affairs of the Company.
- Rent increased $85,622 from $64,141 during FY2009 to $149,763 during FY2010 as the Company moved to a larger office.
- Stock-based compensation decreased $212,316 from $959,894 during FY2009 to $747,578 during FY2010. As at September 30, 2010, 2,788,371 of the 5,224,106 options outstanding are exercisable.
- Travel costs increased $26,324 from $53,856 during FY2009 to $80,180 during FY2010 to attend conferences and to visit properties in Alaska and Montana.

1.2 Overall Performance (continued)

- Other income increased $55,500 during FY2010 from $Nil during FY2009 as the Company charged rent and provided geological and administration services to AsiaBaseMetals, Inc., a related party.

The Company's cash at September 30, 2010 totalled $1,098,480 compared to $1,740,781 at September 30, 2009.

The Company had an accumulated deficit as of September 30, 2010 of $14,797,124 compared to $12,239,176 as of September 30, 2009 which has been funded primarily by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

1.3 Selected Annual Information

The Company's fiscal year end is September 30. Selected annual information presented as follows:

	Years ended September 30,		
	2010	2009	2008
Total revenues	$Nil	$Nil	$Nil
Loss before income tax	$(2,557,948)	$(9,356,876)	$(1,173,811)
Loss before discontinued operations	$(2,557,948)	$(6,731,110)	$(1,173,811)
Loss for the year	$(2,557,948)	$(6,731,110)	$(1,173,811)
Loss per share	$(0.03)	$(0.12)	$(0.03)
Total assets	$8,178,913	$4,793,428	$757,389
Total long term liabilities	$Nil	$Nil	$Nil

1.4 Results of Operations

TintinaGold is a growth company focused globally on exploration and development of precious and base metals. The Company currently has multiple properties in Alaska: Colorado Creek, Kugruk, and Baird. The Company entered into mining lease agreements and a surface-use agreement to perform exploration and mining activities on the Sheep Creek property, located in the State of Montana in the United States. The Company is primarily focused on advancing the Colorado Creek, Kugruk, and Sheep Creek properties.

Agreements with Affiliates of Rio Tinto and NovaGold

The Company entered into two separate agreements dated August 27, 2008 with affiliates of Rio Tinto PLC ("Rio Tinto") and NovaGold Resources Inc. ("NovaGold") to purchase a 100% interest in mineral claims comprising over 485,000 acres in Alaska. On March 6, 2009, the Company completed and closed the acquisition.

The initial closing of the acquisition was subject to a number of conditions including, but not limited to, the completion of satisfactory due diligence, concurrently with the initial closing, a private placement for gross proceeds of a minimum of $3 million, the approval of the TSX-V and other necessary regulatory and stock exchange approvals.

The agreement with NovaGold entitling the Company to acquire an interest in five mineral properties in Alaska, United States, as outlined below, was amended on November 27, 2008 to change the closing date from November 30, 2008 to December 31, 2008 and to allow for separate closings for the five mineral properties in Alaska. The five Alaska mineral properties comprise Colorado Creek, Kugruk, Tintina, Baird, and Omilak.

1.4 Results of Operations (continued)

Agreements with Affiliates of Rio Tinto and NovaGold (continued)

Pursuant to the amendment dated November 27, 2008, the Company agreed to acquire NovaGold's five Alaskan properties by issuing 3,125,000 common shares at a fair value of $1,562,500 on the closing date. The Company closed the transaction to acquire the five mineral properties on March 6, 2009.

The Company wrote-off acquisition and exploration costs of $306,166 in the Omilak property on September 30, 2010 as management rescinded the land claim subsequent to year end. The Company wrote-off acquisition and exploration costs of $344,262 related to the Tintina property in FY2009.

Colorado Creek

The Colorado Creek property (comprised of 26,880 acres in 273 Alaska state mining claims) covers the Cripple Creek Mountains and surrounding lowlands, about 70 kilometres ("km") north of McGrath, Alaska, on the Kuskokwim River, and 86 km south of Poorman, Alaska, which has road access to Ruby on the Yukon River. TintinaGold has a lease with Rosander Mining Company, Inc. for 125 40-acre claims, two 20-acre claims, one 15-acre claim, one 27-acre, and one 160-acre claim on the Colorado Creek property. The lease includes a yearly work provision of $200,000. The remaining 143 160-acre claims are 100% owned by TintinaGold through its wholly-owned subsidiary TAMI.

The Colorado Creek project focuses on an intrusive-related gold system which fed gold placers with past production in excess of 250,000 ounces of gold. These placers source from the margin of the Cripple Creek diorite pluton, a 23 square-km intrusive which forms the main body of the Cripple Creek Mountains. A gold-in-soil anomaly greater than 8 km long and up to 4 km wide encompasses the source area for much of the placer gold. The gold-in-soil anomaly lies on the west side of the dioritic Cripple Creek pluton which coincides with a magnetic high. A magnetic low approximately 1 km wide surrounds the pluton and much of the gold-in-soil anomaly lies within this feature. At Porphyry Knob a ≥100 ppb gold-in-soil anomaly, which is about 500 metres by 800 metres in extent and open on its west end, overlies a 100 metre ("m") thick southeast dipping rhyodacite sill that intrudes andesite and siltstone. Gold ("Au") mineralization occurs with sericite, carbonate, and clay alteration and with veins of quartz and calcite with arsenopyrite and pyrite throughout the sill, as well as in the surrounding andesite. Historic metallurgical tests with cyanide leach bottle roll tests show greater than 93% Au recovery from pulps, so much of the material may be amenable to leaching.

Placer Dome drilled eleven holes on the property in 1997, some of which intersected portions of the rhyodacite sill with one intercept of 29.1 m grading 1.5 g Au/tonne (DDH 3). TintinaGold drilled an additional 12 holes in 2009. In an area about 400 m by 250 m in extent this latest drilling encountered 98.4 m grading 0.57 g Au/tonne (DDH 12); 24.0 m grading 1.15 g Au/tonne and 2.3m grading 7.28 g Au/tonne within 111.0 m grading 0.64 g Au/tonne (DDH 14); and 44.8 m grading 1.01 g Au/tonne within 128.3 m grading 0.6 g Au/tonne (DDH 15). Drilling to the east across a northwest trending fault encountered only sporadic mineralization. Mineralization at Porphyry Knob is open to the south, southwest, and west.

Colorado Creek shows similar intrusive compositions and ages, host rocks, and geochemistry to Donlin Creek, but mineralization appears higher temperature and lies close to a large intrusive center, the Cripple Creek pluton. The two properties show a similar scale of altered and mineralized area.

1.4 Results of Operations (continued)

Colorado Creek (continued)

During FY2010, the Company incurred $578,863 on the Colorado Creek property. The Company renewed its land claims with the State of Alaska; analyzed various geological, geochemical, geophysical, and other datasets for optimal drill targeting; and performed a detailed DIGHEM airborne geophysical survey of the 8 km gold-in-soil anomaly around the western portion of the Cripple Creek pluton. The Company will analyze the final results of the airborne survey to identify structural trends and intersections which may host greater concentrations of gold.

For FY2011, the Company plans to spin-out Colorado Creek into an independent corporate entity. A drilling campaign will be executed to test drill targets generated by the analysis of airborne geophysical, surface geochemical and mapping data.

Kugruk

The Kugruk property (comprised of 177,280 acres in 1,117 Alaska state mining claims) is located 115 km south of Kotzebue in the low tundra of the northern Seward Peninsula and 20 km from northern margin of the Seward Peninsula at Kotzebue Sound. TintinaGold leases four 160-acre claims from Mr. Joe Wilson and owns the remaining claims through TAMI.

The property consists of a 15 km belt of strong magnetic anomalies along the eastern margin of the Kugruk pluton, a large granodiorite body intruding Paleozoic schists and marbles. A thick layer of loess (windblown silt) covers most of this magnetic belt; however, locally the higher terrain shows anomalously high copper in soils. A few historic drill holes from the Kugruk magnetic belt show strong concentrations of magnetite with associated chalcopyrite and pyrite. Further east, a halo of silver-lead-zinc prospects and further outboard gold prospects ring the intrusive system beyond its magnetic border, showing this to be a very large area of intrusive-related mineralization which has received very little exploration. The property shows potential for a very large copper or copper-gold deposit and a significant iron resource in a reasonably accessible area.

During FY2010, the Company incurred $3,187,678 on the Kugruk property. The Company renewed its land claims with the State of Alaska; evaluated the data collected from geological, geochemical, and geophysical work; completed a DIGHEM airborne geophysical survey; and completed the summer drilling program. The drilling program tested for economic grades of copper mineralization along the magnetic belt. Three specific targets have coincident high magnetic/low resistivity responses along with copper in soils and strong IP (Induced Polarization) chargeability anomalies. The Company's drilling program succeeded in locating important concentrations of copper mineralization in magnetite-rich calc-silicate skarn, and achieved as much as 0.27% Cu and 0.07 g/t Au over 90.8 meters composited over 3 intervals and locally 1.23% Cu with 7.7 grams/tonne Ag over 5.5 meters and 1.7% Cu with 18.6 grams/tonne Ag over 3.3 meters. Mineralization appears best concentrated near the margin of the Kugruk pluton and the geophysical signature of the mineralized area extends for at least 7 km along a north-south trend. In addition, the geophysical signature expressed by the skarn alteration halo around the pluton extends for at least 15 km north to south, and reaches 4 km wide. Various geologic indicators identified during FY2010 drilling provide a means to vector toward the presumably better grade part of the property.

In FY2011, the Company plans to continue drilling the property. In the meantime, an effort to locate a joint venture partner is underway.

1.4 Results of Operations (continued)

Sheep Creek

On May 24, 2010, the Company, through its wholly-owned subsidiary, TAEI entered into mining lease agreements and a surface use agreement (collectively, the "Sheep Creek Agreements") with the owners of the Sheep Creek copper-cobalt property in central Montana, United States.

The Sheep Creek Agreements provide the Company, through its subsidiary, with exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by TintinaGold for additional periods of 10 years in certain circumstances. The Sheep Creek Agreements provide for surface lease payments and, prior to commercial production, advance minimum royalty payments to be paid to the lessors, in cash, and a net smelter returns royalty of 5% after commencement of commercial production, if any. The Company has the right to buy down this royalty to 2% at any time after completion of a feasibility study by making payments to the lessors totaling US$10,000,000.

The Sheep Creek property consists of approximately 4,714 acres of fee-simple lands in central Montana. The property contains sediment-hosted zones of massive sulfide mineralization originally explored by Cominco American Inc. ("Cominco") and BHP/Utah International ("BHP") during the 1980's and early 1990's. The drilling undertaken by Cominco American Inc. and BHP had encountered significant zones of stratabound copper sulfide with cobalt in multiple bedded pyrite zones in the lower part of the Precambrian Belt; this same stratigraphic unit hosts the Sullivan zinc-lead-silver deposit. The Company began a verification drilling program on the property on September 15, 2010 to show that historic drilling results by Cominco and BHP were acceptable for use in calculation of an inferred resource. In addition, the Company began investigating requirements for permitting and base line studies required to develop the property to mine production.

The Company incurred $246,367 of expenditures during FY2010 primarily comprised of: (i) $142,284 of acquisition costs and (ii) $104,083 of exploration work.

For FY2011, the Company plans to complete its verification drilling and subsequently embark on further exploration drilling, infill drilling, and environmental baseline studies.

Baird

The Baird property (comprised of 58,640 acres in 371 Alaska state mining claims) is located in arctic Alaska in the Baird Mountains (western Brooks Range) 40 km north of Kiana, a village on the Kobuk River. All claims are owned by TintinaGold through its wholly-owned subsidiary, TAEI, except for the 60 OMAR claims where the Company has a 60% earn-in agreement and yearly minimum work obligation of $250,000 (for a total of $2,500,000 from May 31, 2007 to May 31, 2011) with Teck Corporation.

The property covers an area of Paleozoic age limestone and dolomite. Initial exploration drilling on the Omar prospect area in the 1960's encountered copper ("Cu") concentrations of 9.59% Cu over 6.1 meters in one hole and 3.16% Cu over 36.6 meters in another. Work conducted in 2007 outlined at least four prospect areas, each more than 4 km long, with extensive concentrations of copper and zinc in soil and rocks. In 2009, the Company carried out a small program to evaluate some of the results of the 2007 work.

During FY2010, the Company incurred $86,923 on exploration costs primarily regarding the renewal of land claims with the State of Alaska. The Company conducted further mapping, and soil and rock sampling during fiscal 2010.

For FY2011, the Company is planning to develop further drill targets and embark on an initial drilling campaign. An effort to locate a joint venture partner is underway.

1.4 Results of Operations (continued)

General and administration

General and administration costs during year ended September 30, 2010 were $2,423,778 compared to $2,387,572 during year ended September 30, 2009 representing a decrease of $36,206 between FY2009 and FY2010. See section 1.2 for discussion of significant variances.

1.5 Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter Ended	Total Revenues	Net Income (Loss)	Net Income (Loss) Per share
December 31, 2008	Nil	(161,016)	(0.01)
March 31, 2009	Nil	(711,305)	(0.01)
June 30, 2009	Nil	(651,917)	(0.01)
September 30, 2009	Nil	(5,206,872)	(0.08)
December 31, 2009	Nil	(344,159)	(0.01)
March 31, 2010	Nil	(572,595)	(0.01)
June 30, 2010	Nil	(866,254)	(0.01)
September 30, 2010	Nil	(774,940)	(0.01)

1.6/1.7 Liquidity and Capital Resources

As at September 30, 2010, the Company reported working capital of $1,025,946. Net decrease in cash for the year ended September 30, 2010 was $642,301 leaving cash on hand in the amount of $1,098,480.

Current assets excluding cash at September 30, 2010 consist of amounts receivable of $42,512, amounts due from related party of $55,500 and prepaid expenses and other assets of $144,314.

Current liabilities as at September 30, 2010 consist of accounts payable and accrued liabilities of $247,069, amounts due to related parties of $57,501, and provision for asset retirement obligation of $10,290.

The Company's continuing operations, as intended, are dependent upon its ability to obtain debt or the necessary financing to meet its liabilities and commitments as they become payable.

TintinaGold will need additional capital funding to be able to maintain its mineral properties commitments on exploration and development (i.e., land claims and labour requirements) in fiscal year 2011 ("FY2011"). The Company's planned activities in FY2011 anticipate significant exploration and development expenditures exceeding its current cash reserves and will require additional capital to fund these activities. The funds required for the planned activities in FY2011 are expected to be raised through additional equity financings. Recent volatility in the financial markets could make it difficult for the Company to raise funds and such funding may not be available on commercially acceptable terms or at all. The Company's failure to raise the additional funds could result in the delay or indefinite postponement of further exploration and development of its properties or the loss or substantial dilution on its property interest.

1.6/1.7 Liquidity and Capital Resources (continued)

During the year ended September 30, 2010, the Company generated net cash of $5,008,000 from its financing activities:

a) On February 3, 2010, the Company closed its non-brokered private placements. The Company sold 12,500,000 units (the "Units") to one subscriber, Electrum Strategic Metals LLC ("Electrum") at a price of $0.40 per Unit for gross proceeds of $5,000,000. Each Unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder on exercise, to purchase one additional common share of the Company at a price of $0.65 per share for a period of four years from the date of issuance of the warrant. The Company incurred $57,000 of share issuance costs related to the private placement.

b) 30,000 warrants were exercised at $0.50 per share for gross proceeds of $15,000.

c) 100,000 warrants were exercised at $0.50 per share for gross proceeds of $50,000

1.8 Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

1.9 Transactions with Related Parties

During the year ended September 30, 2010 and 2009, the Company had the following related party transactions which were measured at the exchange amount, which is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities:

	2010	2009
Payments to related parties:		
Management fees (a)	$ 240,000	$ 210,000
Accounting fees (a)	6,000	6,000
Service agreement fees (b)	119,857	-
	$ 365,857	$ 216,000
Services provided to related parties:		
Rent income (c)	$ 24,000	$ -
Administration income (c)	24,000	-
Geological services income (c)	7,500	-
	$ 55,500	$ -

a) Management and accounting fees were incurred and paid to a company owned by the President of the Company.

b) Service fees were incurred and paid to NovaGold under an arms-length market-based service agreement for exploration services, human resource and land management services. NovaGold is a related party having one director and a major shareholder in common with the Company.

c) Rent, administration and geological fees were earned and receivable from AsiaBaseMetals for services rendered. AsiaBaseMetals is a related party having directors and a shareholder in common with the Company. Amounts are recorded as due from related party as at September 30, 2010 and are non-interest bearing, unsecured and are due upon demand.

1.9 Transactions with Related Parties (continued)

d) The Company received reimbursement of excess costs associated with reclamation work in the Golden Lynx property from a major shareholder. This was recorded as a refund of reclamation costs in the financial statements.

Amounts due to related parties are non-interest bearing, unsecured and are due upon demand.

1.10 Fourth Quarter

During the fourth quarter ended, September 30, 2010, the following significant transaction occurred:

The Company entered into a Services Agreement with NovaGold on July 23, 2010, giving NovaGold acquisition rights to any proposed transactions involving the Company's Colorado Creek, Kugruk, Baird and Omilak properties in Alaska. (a "proposed transaction"). The Company is required under the Services Agreement to provide written notice to NovaGold of its intention in selling or granting an interest in these resource properties. If notice of the proposed transaction is given to NovaGold on or before December 31, 2010, NovaGold will have a period of 45 days from the date of such notice is received to notify the Company whether it elects to enter into the proposed transaction. If NovaGold does not so elect, and the notice of the proposed transaction is given on or before December 31, 2010, TintinaGold or its subsidiary has 60 days to complete the proposed transaction with a third party on terms no less favourable than those offered to NovaGold. Where NovaGold does not elect to enter into a proposed transaction pursuant to a notice given after December 31, 2010, TintinaGold or its subsidiary is entitled to complete the proposed transaction with a third party at any time thereafter on such terms as TintinaGold or its subsidiary may determine.

1.11 Subsequent Events and Proposed Transactions

On October 9, 2010, the Company rescinded the land claim to maintain its interest in the Omilak property. Accordingly, the Company wrote-off acquisition and exploration costs of $306,166 related to the Omilak property on September 30, 2010.

1.12 Critical Accounting Estimates

Not applicable to the Company.

1.13 Changes in Accounting Policies

Adopted accounting pronouncements

Financial instruments – disclosures – CICA 3862

During the year, the CICA amended Section 3862 to enhance fair value and liquidity disclosures. The standard now requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels. Each level is based on the transparency of inputs to the valuation of the financial asset or liability as of the measurement date. Adoption of this standard did not have any material effect on the consolidated financial statements. The disclosures required by this amendment are disclosed in Note 16 of the Consolidated Financial Statements.

1.13 Changes in Accounting Policies (continued)

a) Recent accounting pronouncements

i) Business combinations

In January 2009, the CICA issued Section 1582, *Business Combinations*, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the consolidated financial statements.

ii) Consolidation and non-controlling interests

In January 2009, the CICA issued Section 1601, *Consolidated Financial Statements* and 1602, *Non-controlling Interests*, which replaces existing guidance. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 1, 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the consolidated financial statements.

In August 2009, the AcSB issued amendments to Section 1625, *Comprehensive Revaluation of Assets and Liabilities*, for consistency with new Section 1582, *Business Combinations*. The amendments require that, when push-down accounting is used following the acquisition of an enterprise, the assets and liabilities are to be measured at the values used in accounting for the purchase transaction or transactions in accordance with Section 1582. The amendments also require that, when a future income tax asset that arose prior to the date of a comprehensive revaluation and that was not recognized in the comprehensive revaluation, is subsequently recognized, the benefit should be recognized in accordance with Section 1582 and Section 3465, *Income Taxes*.

The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. Early adoption is permitted as of the beginning of a fiscal year. An entity adopting this Section for a fiscal year beginning before January 1, 2011 also adopts Section 1582.

In August 2009, the AcSB issued amendments to Section 3251, *Equity*, as a result of issuing Section 1602, *Non-controlling Interests*. The amendments require non-controlling interests to be recognized as a separate component of equity.

The amendments apply only to entities that have adopted Section 1602.

1.13 Changes in Accounting Policies (continued)

iii) International financial reporting standards

Under the pronouncement issued by In February 2008, the CICA Accounting Standards Board in February 2008, effective for its fiscal year commencing October 1, 2011, the Company will be required to prepare interim and annual financial statements under International Financial Reporting Standards ("IFRS") including restatement of amounts reported for comparative purposes. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal controls over financial reporting and disclosure controls and procedures. The transition will also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements.

The Company completed its IFRS diagnostic plan and IFRS conversion plan which outlines the steps required to complete the transition to IFRS. An external IFRS consultant has been engaged to assist with the Company's efforts. The next phase of the transition process includes:

(i) Detailed review of IFRS standards;

(ii) Selection of IFRS accounting policies and procedures;

(iii) Quantification of impact on key line items, information technology and disclosures; and

(iv) Preparation of draft consolidated financial statements under IFRS.

Significant areas of difference highlighted by the diagnostic and conversion plan include:

(i) Resource properties;

(ii) Impairment of long-lived assets;

(iii) Share-based payments;

(iv) Accounting for income taxes; and

(v) Initial adoption of IFRS under the provisions of IFRS 1.

As part of its transition process, the Company will continue to invest in training and resources to ensure a timely conversion. The Company will continue to monitor and report on its conversion to IFRS.

During the period leading up to the conversion to IFRS, the Company will continue to monitor changes in both IFRS standards and the Company's transactions and assess any differences in accounting policies between Canadian GAAP and IFRS for the Company.

1.14 Financial Instruments and Other Instruments

a) Financial Instruments

As at September 30, 2010, the Company's financial instruments include cash, amounts due from related party, accounts payable and amounts due to related parties. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments

1.14 Financial Instruments and Other Instruments (continued)

b) Fair Value Measurements

CICA 3862 *Financial Instruments – Disclosures*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. CICA 3862 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. CICA 3862 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As at September 30, 2010, the Company believes that the carrying values of amounts due from related party, accounts payable and amounts due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

1.14 Financial Instruments and Other Instruments (continued)

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as of September 30, 2010 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
Cash	1,098,480	–	–	1,098,480

c) Financial Risks

(i) Credit Risk

The Company maintains a majority of its cash and cash equivalents with a major Canadian financial institution. The Company maintains the remainder of its cash and cash equivalents with major US and Indian financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

(ii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalents balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

(iii) Foreign Currency Risk

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the US dollar and Indian rupees. A significant portion of the Company's cash and cash equivalents and accounts payable are denominated in US dollars. A significant portion of the Company's expenses are denominated in US dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

At September 30, 2010, the Company had cash and cash equivalents denominated in US dollars of $831,836. The fair value of US dollar denominated cash will fluctuate according to changes in the spot exchange rate until they are settled in Canadian dollars. Fluctuations in the exchange rate by 5% can result in a foreign exchange gain or loss of approximately $42,000 in the cash and cash equivalents balance.

(iv) Interest Rate Risk

The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. The Company does not engage in any hedging activity.

1.14 Financial Instruments and Other Instruments (continued)

(v) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

1.15 Other Requirements

a) Disclosure Controls

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiary, is made known to management, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for year ended September 30, 2010, in accordance with Canadian generally accepted accounting principles. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed period that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at September 30, 2010. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.

a) Summary of Outstanding Share Data at December 17, 2010:

a. Authorized: Unlimited common shares without par value
Issued and outstanding: 81,292,558 common shares

b. Stock options
Options outstanding as of September 30, 2010: 5,224,106

c. Warrants
Warrants outstanding as of September 30, 2010: 26,948,339

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

The shareholders will be kept informed of any material changes.