cascaderocopper

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED FEBRUARY 28, 2011

The following discussion and analysis, prepared as of April 29, 2011, should be read together with the unaudited consolidated financial statements prepared for the first quarter ended February 28, 2011 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles and the accompanying Management Discussion and Analysis. All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “plans”, “intends”, “anticipates”, “should”, “estimates”, “expects”, “believes”, “indicates”, “suggests” and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company’s expectations as of April 29, 2011.

- Readers are cautioned not to place undue reliance on these statements as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

- Subject to applicable laws, the Company assumes no obligation or update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company’s actual results to differ materially from the forward-looking statements in this MD&A, please see “Risks and Uncertainties”.

GENERAL

Cascadero Copper Corporation (the “Company” or “Cascadero”) was incorporated pursuant to the Alberta Business Corporations Act on October 30th 2003 and continued into the Province of British Columbia on June 3rd 2004 and is listed on the TSX Venture Exchange and trades under the symbol CCD.

Additional information related to the Company is available on its website at www.cascadero.com and on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

The Company is engaged, through its 50% interest in SESA Holdings LLC, in the acquisition, exploration and development of resource properties in northwestern Argentina. Additionally, the Company performs exploration on the Toodoggone property, located in north central British Columbia, Canada. Subsequent to year end, the Company acquired a 100% interest in mineral claims in Ontario and has entered into Letters of Understanding enabling due diligence on gold properties in Ontario owned by third parties.

PERFORMANCE SUMMARY

2009

On December 8, 2008 the Toronto Stock Exchange (Venture) approved the Company's purchase of its 50% interest in SESA. SESA owns a 99.99% interest in SALTA.

In March 2009, the Company entered into a Joint Venture Agreement with Gold Fields Toodoggone Exploration Corporation (GFTEG) a subsidiary of Gold Fields Ltd on its Toodoggone Project in British Columbia. The agreement enables GFTEG to earn a 51% interest in the Company's Toodoggone property by spending C$5 million over three years. GFTEG has a second option to increase its interest to 75% by spending an additional C$15 million over the next 3 years. The exploration program started in April 2009 and ended in October 2009. In 2009, GFTEG spent approximately C$3 million on exploring the Company's Toodoggone Project.

In 2009, the total cash advances of $416,673 by Cascadero to AFRI were converted into 3,400,626 shares of Cascadero Copper Corp to settle all outstanding advances incurred up to the year ended November 30, 2009. The Company intends to hold the shares for investment purposes.

In December 2008, the Company paid US$200,000 and TSX Venture Exchange approval was granted for the Company to issue 28,000,000 of its common shares with a fair value of $700,000 to AFRI for its 50% membership interest in SESA, a limited liability company formed under the laws of the State of Nevada, USA. SESA is the legal and/or beneficial holder of 99.99% of the issued and outstanding equity interest in SALTA, a company duly formed under the laws of Argentina which holds certain mineral rights and properties. The Company uses the equity method of accounting for its investment in SESA. The Company's long-term investments are as follows:

		Feb 28, 2011		Nov 30, 2010
Acquisition cost of Sesa Holdings LLC	$	947,540	$	947,540
Equity income (loss) in Sesa Holdings LLC		(1,181,832)		(901,646)
Carrying value of Sesa Holdings LLC		(234,292)		45,894

2010

Stealth Minerals Ltd. ("Stealth"), a shareholder of the Company, has commenced legal proceedings against a former officer of Stealth and the Company, to recover 4,000,000 shares of the Company that were transferred from Stealth's brokerage account to a brokerage account of the former officer in purported payment of amounts claimed to be owing to the former officer. The former officer has threatened to advance a counterclaim against the Company and certain directors and officers of the Company. Management of the Company does not believe the threatened counterclaim has any merit. In early 2011 the litigation with the former officer and director was settled and 4.2 million Cascadero shares were returned to the Stealth treasury. Stealth holds a 19.3% interest in the Company.

EXPLORATION ACTIVITY
BRITISH COLUMBIA

2004 to 2007

Dr. Ken Dawson PhD., P. Geo., is the Company's Qualified Person and oversaw the preparation of the technical information contained in the British Columbia Resource Properties.

On July 14th 2004, the Company acquired a British Columbia mineral property by a Property Transfer Agreement dated May 10th 2004 between Cascadero and Stealth Minerals Limited, a related company. The Property Transfer Agreement provided that the purchase price for 109 contiguous mineral claims would be equal to 60% of the total mineral property costs incurred by Stealth as at May 10th 2004. Accordingly, the Company acquired the mineral properties for $6,295,586 and issued 21,000,000 shares to Stealth. The 109 mineral claims were converted to 75 British Columbia mineral tenures on November 6, 2005, November 8th 2005 and April 3rd 2007.

Cascadero's Toodoggone Property consists of 75 converted mineral tenures aggregating 31,409.3 hectares in the Toodoggone volcanic arc on which four styles of mineralization occur. The Property borders Northgate Minerals Kemess property to the north. Cascadero has discovered all four styles of mineralization in outcrop and drill core. The tenures are all in good standing to March 31st 2011 and all are subject to a 3% net smelter return royalty (NSR) in favour of Electrum Resource Corp, which can be purchased down to a 1% NSR on base metal and a 1-½% NSR on precious metal.

The Toodoggone region is an Island Arc accretion assemblage of a conformable sequence of Permian, Triassic and Jurassic quartz monzonite and related aerial volcanic rocks. The quartz monzonite intrusions may be mineralized with economic porphyry style copper-gold-moly-silver values. The intrusions may also cause the formation of low- and high-sulphidation gold and silver epithermal style deposits discretely or related to the intrusions and hosted within either or both Triassic and Jurassic aged rocks. In addition, skarn mineralization is present locally.

Up to 2007, the Company spent about $8 million on its Toodoggone property. The Company does not have a direct interest in any other property.

2008

During the 2008 fiscal year no exploration occurred on the Company's British Columbia properties.

2009

On March 6th 2009 Cascadero Copper Corporation ("Cascadero") signed an Option and Joint Venture Exploration Agreement (the "Option Agreement") with Gold Fields Toodoggone Exploration Corporation ("Gold Fields"), a wholly owned subsidiary of Gold Fields Netherlands Services BV ("Gold Fields Netherlands") and a member of the Gold Fields Limited group of companies. Pursuant to the Option Agreement Gold Fields can earn a 51% interest in Cascadero's Toodoggone Project in British Columbia, Canada, by spending at least C$5 million over an initial three-year option period. Gold Fields can earn a further 24% interest by completing a feasibility study or sole funding a further C$15 million in expenditures. The agreement is subject to a finder fee of $15,000 to a third party.

During the initial option period Gold Fields is required to subscribe for units in Cascadero at agreed prices. At the time of signing the Option Agreement in March 2009, Gold Fields Netherlands subscribed for 500,000 units at $0.10 per unit. If Gold Fields continues to explore the Toodoggone Project, Gold Fields Netherlands will make three further $100,000 investments in Cascdero at regular intervals over the initial three year option period.

In April 2009, Gold Fields Toodoggone Exploration Corporation ("GFTE") commenced an airborne geophysical survey of the property and initiated field operations in early June 2009. The program budgeted was for approximately C$3.0 million and was completed on October 9th 2009 on schedule and on budget. The Company has received a 2009 program report from GFTE. Gold and copper were present in drill core but the grades and length of intervals were not sufficient to indicate or define the presence of a mineral resource. GFTE did not test all targets. At the time of the report GFTEG expressed an interest in returning for the 2010 field season.

In December 2009 at a consultation meeting with certain First Nations representatives, GFTE was presented a letter that that expressed a concern about GFTE's continued exploration activity in the Finlay River watershed. In January, Gold Fields declared an event of Force Majeure as a result of objections raised by First Nations to continuing exploration work on the Company's Toodoggone mineral claims. Gold Fields has advised the Company that it intends to suspend further exploration work on the claims until the situation is resolved. No timetable has been provided for the resumption of exploration work.

Company management believes that the exercise of Force Majeure by GFTE may be a temporary measure and the concerns of the First Nations may be resolved in time for a full field season. However, management believes the event of Force Majeure by GFTE could impair the value of its mineral tenures should it remain in place for an extended period.

2010

British Columbia

During the period certain reclamation work and some geochemistry was untaken to confirm earlier positive results in the area of the MEX copper-gold porphyry prospect. The option agreement with Gold Fields is in a force majeure condition.

As of July 29th 2010, the Company holds the exploration rights to 75 contiguous mineral tenures in British Columbia aggregating approximately 31,400 hectares. The tenures are in good standing until March 31st 2014.

2011

The Company holds a 100% interest in a contiguous claim of 75 BC Mineral Tenures aggregating 31,409.3473 hectares, which is called Cascadero's Toodoggone Project. The Mineral Tenures are in good standing until March 31st 2014

In 2011, Gold Fields advised the Company that it is continuing to explore the Toodoggone Project and has removed the force majeure. Gold Fields Netherlands is now making its second investment in Cascadero by subscribing for 400,000 units at $0.25 each. Each unit is comprised of one common share and one warrant, whereby the warrant entitles the holder to purchase an additional common share at $0.25 each for a period of one-year from closing. The units are subject to a four-month holding period. Exploration is expected to commence in July 2011.

EXPLORATION ACTIVITY
2010 and 2011

ONTARIO

The Company has acquired an interest in 15 Ontario mineral prospects and has entered Letters of Understanding on other gold prospects that are owned by third parties. Due diligence is underway and formal agreements are being prepared for three of the properties controlled by third parties. Exploration will begin in April 2011 and will initially consist of ground-based geophysics.

EXPLORATION ACTIVITY

ARGENTINA

2003 to 2005

Salta Exploraciones SA (SALTA) was incorporated in 2003 as a subsidiary of Argentine Frontier Resources Inc. Until 2008, SALTA was controlled by AFRI, a Canadian private company that had certain common directors and a shareholder of Cascadero. The Canadian private company provided about US$3.3 million to SALTA. From 2003 to 2008, Salta reviewed over 100 Argentine mineral properties and acquired exploration rights to over 40 properties.

A detailed description of the SALTA property portfolio can be viewed in Cascadero's 2008 Information Circular dated Oct 23rd 2008.

In October 27th 2008, Silex Argentina SA optioned the Viejo Campo property from SALTA. Silex can earn a 60% interest in Viejo Campo by spending US$1,000,000 over a four year term and paying SALTA a total of US$600,000. If Silex elects to acquire a 60% interest in the property, it can at its discretion, elect to form a 60/40 joint venture or acquire an additional 20% interest in the property by taking the property to feasibility stage within three (3) years and paying to SALTA US$250,000. If Silex elects to form a 60/40 joint venture SALTA has a onetime option to convert its 40% interest into a 3% NSR on precious metal and a 1% NSR on base metal. Silex has the right to acquire 50% of the precious metal NSR for US$2 million and 50% of the base metal NSR for US$1 million within the first three years of commercial production.

2009

On March 9th 2009, Silex made its third anniversary payment of US$200,000 to SALTA with respect to the Silex agreement for SALTA's Castor-Quevar II property.

SALTA decided to drill test two properties: Valle Grande and Taron, which were subject to extensive exploration totaling about US$450,000 in 2004, 2005 and 2006. The properties will be drilled consecutively starting in April 2009. Financing is forwarded to SALTA from SESA. Cascadero is not responsible for any part of this budgeted amount.

In October 2009, Silex made its first anniversary payment of US$100,000 on the Campo Viejo property option agreement.

Valle Grande

The property was subject to two core holes. Visual inspection of the core was discouraging and the program was aborted. Assays from the two drill holes confirmed the decision to abandon the program early as the assays were well below expectations.

Guadalquivir

Once the Valle Grande program was aborted, management decided to drill one core hole at Guadalquivir subject to permitting. SALTA applied to the Minister of Mines, Salta Province, for an emergency permit, which was granted. Guadalquivir is about 15 kms north of Valle Grande. The single core hole G-01-09, was abandoned at 64 metres due to caving and lost circulation. Assays from G-01-09 were reported in a Company news release of August 10th 2009. The results indicate that Guadalquivir is a promising Lithium discovery in an evaporate setting. It encountered significant Lithium values over a 46 metre interval and the drill hole ended in mineralization. The mineralized interval is not in brine.

Taron

Epithermal style mineralization anomalous in alkali metal, zinc and silver was discovered by SALTA geologists and prospectors in 2004. In 2005 and 2006, SALTA's work included about 5,600 metres of hand and excavator trenching across the mesa and down its western bluff. The trenches outlined a potential resource in three dimensions. Approximately US$500,000 was spent on trenching and sampling. Metallurgy was conducted by SGS, Lakeview, Ontario. The program was funded by a major USA based international oilfield supply company.

This work suggested the presence of an epithermal system that is approximately 1,600 metres north-south by 1,000 metres east-west and has ~70 metres of vertical relief. The mineralized zone could host a potentially large volume of Cs-Rb-Zn-Tl-Ag mineralization. Initial metallurgical work suggests that the mineralization has excellent kinetics with both sulphuric acid and sodium hydroxide as solvents.

In May 2009, SALTA completed seven core holes on the property. Each drill hole encountered highly anomalous Cs-Rb-Zn-Tl-Ag mineralization over significant intervals.

Other

Exploration, including geophysical programs, mineralogy and geochemistry is ongoing on other properties in the SALTA portfolio with a view to developing drill targets and properties for its own account and for option to third parties.

2010

In January 2010, SALTA and its Brazilian partner agreed on a 5,600 metre drill program on two copper-gold porphyry prospects and one bulk tonnage gold-silver prospect. Mobilization is planned for the third week of March and the drill program should be complete in 120 days. The program is budgeted for a total expenditure of US$1.6 million and Cascadero is required to advance US$ 500,000 of this.

In January, Silex announced that a second stage drill program on Campo Viejo is underway. In September, Silex advised SALTA it had drilled an additional 4 core holes and that it would be terminating its option to acquire an interest in Campo Viejo.

As of Mar 12th 2010, on SALTA's Castro-Quevar II silver prospect, Silex announced it had completed in excess of 38,500 metres of core drilling, which has outlined an underground mineralized zone that contain an inferred resource of 43 million ounces of silver at a grade of approximately 450 g/tn silver. Golden Minerals is conducting further resource evaluation drilling and is preparing a pre-feasibility study. The NI 43-101 compliant Technical Report on the El Quevar project is available the public website www.SEDAR.com

In March 2010 SALTA received its third anniversary payment of US$500,000 from Golden Minerals Inc (Silex Argentina) as a property payment for Castor-Quevar II.

The Company experienced its highest level of overall activity in history and the pace of exploration and development of the SESA46 property portfolio is expect to accelerate into Q3 and Q4 and all of 2011. The Cascadero-Coralbrook SESAOperating Agreement expired on July 17th 2010 and is being restructured as a 50/50 Joint Venture. Julio Carvalho represents Coralbrook Ltd. (50% of SHL) and Bill McWilliam represents Cascadero Copper (50%).

SESA financed 100% of the exploration on the SALTA properties. Cascadero contributes 50% of the proposed exploration expense through the SESA Joint Venture.

During the period, SALTA completed the following:

- completed three drill holes on La Sarita
- ground magnetic survey on Las Burras, Las Cuevas and Incahuasi
- IP/Res survey on Las Burras and partially completed IP/Res on Incahuasi
- reviewed Incamayo, Tolillar, Purmamarca, Taron, Guadalquivir, Antuco and Guayos mineral propsects
- reviewed data on its Tocomar geothermal prospect
- commissioned Technical Reports on three properties

During the year exploration was focused on Incahuasi and Las Burras. Work included geophysics, trenching and a program of MMI geochemistry.

SALTA optioned its Incamayo property to Brigadier Gold. SALTA retains a 30% interest in this property subject to certain exploration expenditures and cash and share issuances by Brigadier.

The exploration planned for Q4-10 was delayed by a combination of factors, most recently unusually heavy seasonal rain that caused road wash outs and mud slides over a large area in the Puna. The Las Burras drill program is delayed until April 2011.

2011

During Q4-10 and Q1-11 SALTA acquired mineral properties in the Oculto and La Sarita districts. Environmental reports and certain community work are required before proceeding with exploration. SALTA received a very positive report ion its Incahuasi copper-gold porphyry prospect that adjoins Las Burras to the west and south. More surface work is required prior to drilling.

In early March 2011, Silex Argentina made a US$1,100,000 payment to SALTA as the final property payment on the Castor-Quevar II option agreement. Salta retains a 1% NSR. Silex has the right to purchase 50% of this NSR for US$1,000,000. The property is being prepared for production.

The Company is focused on two principal minerals districts: the Santa Rosa district and the Oculto district. In addition, exploration is underway on several other prospects.

SELECTED ANNUAL INFORMATION

Selected Annual Information

The following table provides a brief summary of the Company's annual financial operations. For more detailed information, refer to the audited consolidated financial statements.

ITEM	November 30, 2010	November 30, 2009	November 30, 2008
	$	$	$
Working Capital	398,213	1,153,846	1,652,726
Deficit	(6,353,601)	(4.956,954)	(3,280,843)
Net Income (loss)	(1,396,647)	(1,676,111)	(467,243)
Basic and Diluted loss per share	(0.04)	(0.017)	(0.008)
Total Assets	10,642,635	11,541,753	11,758,096

Results of Operations

Significant expenses incurred during the year ended November 30, 2010 are as follows: $74,298 (2009 - $58,875) in accounting and audit fees, $38,365 (2009 - $19,025) in filing fees, $160,000 (2009 - $160,000) in management fees, $256,656 (2009 - $119,914) in office and miscellaneous and $164,230 (2009 – nil) in Part XII.6 tax. This is fully explained in Note 10 of the November 30, 2010 audited financial statements.

The Company earns interest revenue from cash held in banks. The Company has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

QUARTERLY INFORMATION

The following are selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended February 28, 2011.

	February 28, 2011	November 30, 2010	August 31, 2010	May 31, 2010
Total assets	$10,776,712	$ 10,642,635	$ 10,685,795	$ 11,023,050
Mineral properties	9,888,646	9,709,594	9,671,442	9,636,097
Working capital	627,195	398,213	558,275	785,145
Shareholders equity	10,289,624	10,162,768	10,520,697	10,812,960
Net gain (loss)	87,929	(469,572)	(337,264)	(395,638)
Net loss per share	(0.00)	(0.004)	(0.003)	(0.04)

Three Month Period Ended

	February 28, 2010	November 30, 2009	August 31, 2009	May 31, 2009
Total assets	$ 11,430,024	$ 11,541,753	$ 12,331,682	$ 12,565,262
Mineral properties	9,543,974	9,543,974	10,496,874	10,496,826
Working capital	1,050,357	1,153,846	1,097,846	1,496,831
Shareholders equity	11,168,693	11,352,771	12,078,432	12,143,689
Net gain (loss)	(194,173)	(1,395,491)	(65,257)	(123,428)
Net loss per share	(0.002)	(0.014)	(0.001)	(0.001)

Results of Operations

For the three month period ended February 28, 2011, the Company had revenues of $466,072 which comprises of 467 (2010 - $832) in interest income and a write up of the treasury shares of $466,072 (2010 – nil). Significant expenses incurred during the three month period ended February 28, 2011 are as follows: $15,000 (2010 - $15,000) in management fees, $3,750 (2010 - $1,400) in accounting and audit fees and $32,448 (2010 - $31,181) in office and miscellaneous.

Significant changes in key financial data from 2011 to 2010 can be attributed to an increase in long term investments.

Results of Operations

Liquidity

The Company finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Company is dependent upon its ability to obtain the necessary financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

Net cash used in operating activities for the period consists primarily of the operating loss and a change in non-cash working capital.

Net cash used for operating activities for the quarter ended February 28, 2011 was $(130,797) compared to net cash used for operating activities of $(45,292) for the quarter ended February 28, 2010.

Financing activities for the quarter ended February 28, 2011 was $505,000 compared to financing activities of $10,000 for the quarter ended February 28, 2010.

Investing activities provided cash of $(179,053) during the quarter ended February 28, 2011 compared to $20,102 for the quarter ended February 28, 2010.

Advances to Related Company

The Company is co-manager of SESA Holdings LLC (Nevada) which is a 50/50 Operating Joint Venture.

From July 1st 2010 to February 28th 2011, the Company advanced C$675,160 to the Joint Venture. These funds were subsequently transferred to SESA Holdings 100% owned subsidiary Salta Exploraciones SA in Salta City, Repubic of Argentina.Argentina.

Related Party Transactions

During the quarter ended February 28, 2011, the Company had the following transactions with related parties:

i. Incurred $15,000 in management fees to a director of the Company (2010: $15,000).
ii. Reimbursed a director of the Company $11,760 (2010: $19,500) for amounts paid on the Company's behalf for office expenses, travel, telecommunications and vehicle expenses.
iii. Incurred $9,000 in office and administrative fees to the spouse of a director of the Company (2010: $6,000).

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company did not adopt any new accounting policies during the year ended November 30, 2010.

Future accounting changes

Goodwill and Intangible Assets

In February, 2008, the CICA issued this new section to replace Section 3062, Goodwill *and Other Intangible Assets*, and establish standards for the recognition, measurement, and disclosure of goodwill and intangible assets. In addition, the CICA issued amendments to Section 1000, *Financial Statement Concepts* and AcG 11. *Enterprises in the Development Stage* and withdrew Section 3450, *Research and Development Costs*. EIC 27, *Revenues and Expenditures during the Pre-operating Period* is no longer applicable for entities that have adopted CICA 3064. The mandatory effective date is for annual and interim financial statements for years beginning on/after October 1, 2008. This new requirement was adopted by the Company effective December 1, 2008. The adoption of this Section did not have an impact on the financial statements.

International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board confirmed that publicly listed companies will be required to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Early adoption may be permitted, however it will require exemptive relief on a case by case basis from the Canadian Securities Administrators. The Company expects its first consolidated financial statements presented in accordance with IFRS to be for the three-month period ended February 28, 2012, which includes presentation of its comparative results for fiscal 2011 under IFRS. In order to prepare for the changeover to IFRS, the Company has developed an IFRS conversion plan comprised of three phases:

PHASE	**DESCRIPTION AND STATUS**
PRELIMINARY PLANNING AND SCOPING	This phase involves the development of the IFRS conversion plan and is in progress at this time. The IFRS conversion plan will include consideration of the impacts of IFRS on the Company's consolidated financial statements, internal control over financial reporting, information systems and business activities such as foreign operations, compensation metrics, and personnel and training requirements. Management expects minimal impact on information systems and compensation metrics will arise from converting to IFRS. The IFRS conversion plan will include a high level impact assessment of IFRS effective in 2010, as relevant to the Company. This initial assessment will identify those standards of high or medium priority to the Company, based on a number of factors. The International Accounting Standards Board has activities currently underway which may, or will, change the standards effective upon the Company's adoption of IFRS, and therefore may impact this initial high level assessment. The Company will assess any such change as a component of its Detailed Impact Assessment phase and update its IFRS conversion plan as appropriate.
DETAILED IMPACT ASSESSMENT	This phase involves detailed review of IFRS relevant to the Company and identification of all differences between existing Canadian GAAP and IFRS that may or will result in accounting and/or disclosure differences in the Company's consolidated financial statements, along with quantification of impact on key line items and disclosures. The phase includes identification, evaluation and selection of accounting policies necessary for the Company's conversion to IFRS and evaluation of the impact on outstanding operational elements such as debt covenants and budgeting. The Company has not as yet commenced its detailed review of IFRS relevant to the Company and identification of key differences. The Company expects to complete this phase by the end of fiscal 2010.
IMPLEMENTATION	This phase will embed the required changes for conversion to IFRS into the underlying financial close and reporting process and business processes. This will include finalization and approval of accounting policy changes, collection of financial information necessary to prepare IFRS compliant consolidated financial statements, implementation of additional internal controls, and preparation and approval of completed IFRS consolidated financial statements. The IFRS changeover is expected to impact the presentation and/or valuations of balances and transactions in the Company's quarterly and annual consolidated financial statements and related notes effective December 1, 2011, however continued progress on the IFRS conversion plan is necessary before the Company is able to describe or quantify those effects.

FINANCIAL INSTRUMENTS

<u>Fair Value of Financial Instruments</u>

The Company's financial instruments consist of cash, accounts receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to the immediate or short term maturity of these items.

<u>Financial Risk Factors</u>

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

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 is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Outstanding Share Capital

Authorized	Unlimited number of no par value common shares Unlimited number of preferred shares

Issued and Outstanding common shares as at April 29 2011	**105,869, 612**
Options and Warrants	**25,661,500**
Common shares fully diluted	**131,531,112**

Stock Options outstanding at April 29 2011

Number of Options Outstanding	Weighted Average Exercise Price
300,000	$0.40
250,000	$0.30
200,000	$0.20
600,000	$0.18
4,605,000	$0.15
1,000,000	$0.12
11,794,000	$0.10
400,000	$0.25
850,000	$0.25
19,999,000	$0.20

Warrants outstanding

At April 29th 2011 there are three issues of warrants outstanding:

- 4,000,000 warrants: one warrant plus US$0.15 enables the holder to acquire one common share before 4:00 PM November 3rd 2012.
- 2,525,000 warrants: two warrants plus $0.25 enables the holder to acquire one Flow Through common shares before Dec. 31st 2011.
- 400,000 warrants: one warrant plus $0.25 enables the holder to acquire one common share before 4:00 PM March 18th 2012. These were issued subsequent to February 28, 2011.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109) the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited financial statements for the three months ended February 28, 2011 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Commitments and Contingent Liability

In order to meet its obligation to the holders of flow-through shares, the Company is committed to carry out approximately $1,610,875 (2009: $2,258,875) in exploration expenditures.

Canada Revenue Agency ("CRA") has disallowed certain exploration expenditures incurred by the Company as non-eligible exploration expenditures that do not qualify for transfer of the tax deduction to holders of the flow-through shares. In this connection, the Company has been assessed by CRA on Part XII.6 tax, in respect of certain flow-through shares issued in the 2004 taxation year, in the amount of $237,976 plus interest of approximately $12,024 for a total of $250,000. Of this total in tax and interest, the Company will not contest an amount of $164,230. Accordingly, this amount has been included in accrued liabilities in the Company's financial statements.

The balance of $85,770 in assessed Part XII.6 tax and interest is being formally contested by the Company as management disagrees with CRA's position on this amount. The outcome of this matter cannot be determined at this time. No provision has been made in these financial statements for this contingent liability.

Risks and Uncertainties

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few mineral properties which are explored ultimately develop into producing mines. There has been no commercial production of minerals on properties held by the Company to date and there is a high degree of risk that commercial production of minerals will not be achieved.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Company are subject to all of the risks normally associated with the operation and development of mineral properties and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks and insurance may not be available for such risks.

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations.

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

Subsequent Events

All material events to April 29, 2011 are disclosed herein.