DOT Resources Ltd.
Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Six Months Ended June 30, 2009

This management's discussion and analysis ("MD&A") focuses on key items from the unaudited financial statements for DOT Resources Ltd. (also referred to as "DOT" or the "Corporation") for the six months ended June 30, 2009 and the factors reasonably expected to impact future operations and results as prepared on August 25, 2009. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions. Additionally, other matters may occur which could affect the Corporation in the future. This discussion should be read in conjunction with the audited financial statements of the Corporation for the year ended December 31, 2008 and the related notes and the unaudited financial statements for six months ended June 30, 2009. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in Canada.

This MD&A was reviewed and approved by the Corporation's Audit Committee and Board of Directors and is effective as of August 25, 2009. Additional information on the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com.

All dollar amounts are Canadian unless otherwise stated.

Business overview

The Corporation was incorporated on May 17, 2007 under the Business Corporations Act (Alberta).

On June 25, 2007, the Corporation entered into an Arrangement Agreement (the "Arrangement") with Alhambra Resources Ltd. ("Alhambra"). Under the terms of the Arrangement, which became effective August 29, 2007, Alhambra transferred its 100% interest in its claim units located in the Province of British Columbia, together with related assets and obligations pertaining thereto (the "Properties"), in exchange for 30,000,000 common shares of the Corporation.

The cost of the Properties acquired by the Corporation was $933,424 which represents the amount recorded by Alhambra as at the date of sale.

The Corporation's common shares are listed for trading on the TSX Venture Exchange Inc. under the trading symbol of DOT. Trading of the common shares of the Corporation began on September 17, 2007.

Operational review

History of the Properties

The Properties are located approximately 17 kilometres ("kms") south of the Highland Valley Mining District in central British Columbia, Canada. A description of the historical exploration completed on the Properties is set out in an independent National Instrument 43-101 ("NI43-101") compliant report entitled "TECHNICAL REPORT ON 2006 GROUND GEOPHYSICAL PROGRAM AND PREVIOUS EXPLORATION, INCLUDING DIAMOND DRILLING, DOT PROPERTY, BRITISH COLUMBIA, NICOLA MINING DIVISION", (the "2007 Aurora Report") dated May 31st, 2007, prepared by Aurora Geosciences Limited ("Aurora"). This report is filed on SEDAR in its entirety and can be viewed on DOT's profile at www.sedar.com.

DOT's operating activities

The business of DOT is the exploration and development of porphyry style copper properties. Following completion of the recommendations contained in the 2007 Aurora Report, the

Corporation retained Aurora to complete the exploration programs directed toward the discovery of porphyry copper style mineralization on the Properties.

Exploration model

The exploration model used to guide the exploration of the Properties is based on the copper-molybdenum deposits located within the Highland Valley Mining District. The Highland Valley District occurs within the Guichon Creek Batholith and hosts numerous porphyry style copper-molybdenum deposits. These deposits occur within an interpreted northwest trending structural trend and are characterized by disseminated iron and copper sulphide minerals and a concentric alteration pattern that changes from the periphery to the center of the porphyry system.

The following table shows the reserves and average copper and molybdenum grades for the deposits located within the Highland Valley Mining District and the potential exploration target for the Properties.

Deposit name	Reserves (million tonnes)	Copper grade (%)	Molybdenum grade (%)
Bethlehem Copper	143	0.48	N/A
Krain	58	0.56	0.010
Highmont	116	0.25	0.025
J.A.	286	0.43	0.017
Lornex	576	0.39	0.014
South Seas	36	0.47	N/A
Valley Copper	716	0.47	N/A

Current mineral resource estimation

During the quarter the Corporation worked toward the completion of a NI 43-101 compliant, current mineral resource estimation for the Properties. Aurora was contracted to review all work done to calculate previous mineral resource estimates, reinterpret the findings of those historic exploration programs, construct a new deposit model for the Properties, calculate a new mineral resource inventory or confirm historical reported resources, and report those resources in a format fully compliant with NI 43-101 standards (the “2009 Aurora Report”).

As background to the information in the 2009 Aurora Report, the Corporation completed in the fourth quarter of 2007 and in the first quarter of 2008, a 14 hole (3,082 metre (“m”)) diamond drilling program to test the strike and depth extent and to verify the historical drilling results on four previously identified mineralized zones. These four mineralized zones occur within an area that measures approximately 1,350 m long by 500 m wide.

The diamond drilling on the four zones intersected numerous significant intervals of copper mineralization as well as a number of narrow mineralized intervals that occur outside the main zones of mineralization. These narrow mineralized intervals ranged from 1.00 to 8.00 m in apparent thickness with grades ranging from 0.10% to 0.60% copper and from 0.2 to 10.3 g/t silver.

The results of the 2007-2008 diamond drilling program, the historical drilling results, the apparent continuity and dimensions of the mineralized zones suggested that a current resource may occur within the Properties. A brief summary of each of the zones is set out below.

The mineralization in the Southeast Zone extends over a strike length of 550 m, over a width ranging from 40 to 80 m and to a vertical depth of 205 m below surface. Copper mineralization occurs as veinlets and disseminated chalcopyrite and bornite and in thin quartz veinlets throughout the mineralized intervals in moderate argillic and potassic altered granodiorite. Within the altered and mineralized zone, sporadic tourmaline veins, which are typical of porphyry deposits, also occur. The mineralization is open along strike to the southeast and at depth.

The East Zone is located east of the Southwest Zone and was intersected by two diamond drill holes. The copper mineralization in this zone has a higher average grade than the other mineralized zones on the property.

The Copper Zone has a strike length of 140 m, a width of 68 m and has been drilled to a depth of 130 m. This zone is characterized by relatively narrow intervals of copper mineralization that occur as fracture controlled chalcopyrite, bornite and native copper in moderate argillic and potassic altered granodiorite. The two drill holes completed in 2008 are located to the northwest and southeast of the 1997 drill holes and appear to have defined the limits of the mineralization on this zone.

On the Northwest Zone, copper mineralization has been intersected over a strike length of 270 m, a width of 55 m and to a depth of 200 m below surface. Although the 2008 drilling program intersected significant intervals of copper mineralization, the 2007-2008 diamond drilling did not verify the historical drilling results which prevented the completion of a current mineral resource estimation for this zone. The mineralization in this zone is open to the southeast and at depth.

The 2009 Aurora Report is titled "Technical Report On A Mineral Resource Estimate For DOT Resources Ltd's Dot Property" and complies with NI 43-101 and the Canadian Institute of Mining ("CIM") standards for reporting mineral resources.

Highlights of the 2009 Aurora Report include:

- at a 0.20% copper cut-off, an indicated resource of 4.47 million tonnes at a copper equivalent grade of 0.56% copper in the Southeast Zone,
- at a 0.20% copper cut-off, an inferred resource of 2.39 million tonnes at a copper equivalent grade of 0.51% copper in the Southeast Zone, the Copper Zone and the East Zone,
- the three zones of mineralization included in the resource estimate are open along strike and down dip, and
- the copper mineralization outlined in the Northwest Zone has not been included in the resource estimate (see Historical resource estimate).

The current mineral resource incorporates all diamond drilling results from the Properties between 1996 and 2008. Analytical results from 27 core holes totaling 6,248 m were used in preparation of the current mineral resource estimate. Current mineral resource categories over a range of copper cut-off grades are summarized in Tables 1 and 2 below.

Table 1 – Indicated mineral resource estimate [(1)]

The indicated resources for the Properties over a range of copper cut-off grades as reported in the 2009 Aurora Report are listed below:

Copper cut-off (%)	Tonnes	Copper (%)	Silver (g/t)	Gold (g/t)	Molybdenum (%)	Copper equivalent (%)
0.1	5,352,400	0.36	2.52	0.04	0.01	0.49
0.2	4,468,500	0.42	2.91	0.04	0.01	0.56
0.3	3,539,300	0.47	3.38	0.05	0.01	0.64
0.4	2,443,300	0.57	4.22	0.05	0.01	0.76

Table 2 – Inferred mineral resource estimate [(1)]

The inferred resources for the Properties over a range of copper cut-off grades as reported in the 2009 Aurora Report are listed below:

Copper cut-off (%)	Tonnes	Copper (%)	Silver (g/t)	Gold (g/t)	Molybdenum (%)	Copper equivalent (%)
0.1	2,873,300	0.35	2.51	0.03	0.00	0.44
0.2	2,386,900	0.40	2.89	0.03	0.00	0.51
0.3	1,863,300	0.46	3.41	0.04	0.00	0.63
0.4	1,105,000	0.58	5.00	0.05	0.00	0.73

Notes:

(1) Mineral resources that are not mineral reserves do not have demonstrated economic viability. See "Cautionary note concerning reserve and resource estimates".

(2) Rounding differences may occur from those numbers presented in the 2009 Aurora Report following "best practice" principles.

(3) The mineral resource estimate set out above for the Properties is based on a 3D geologic model and wireframe restricted block model that integrated the exploration work on the Properties up to June, 2008. The block model used a cell size of 10 m by 10 m by 10 m and Ordinary Kriging interpolation technique was performed at different search radii and ellipsoid orientations.

(4) A composite value of greater than 0.20% copper was used as the lower limit for the definition of mineralization.

(5) The Indicated and Inferred mineral resource categories for the Properties set out in Tables 1 and 2 comply with the resource definitions of the CIM and NI 43-101: *Standards of Disclosure for Mineral Projects.*

(6) Copper equivalent grades are calculated using the following average metal prices: US$1.50/lb copper, US$14.00/oz silver, US$13.50/lb molybdenum, US$975/oz gold and assumes 100% recovery of all metals. Commodity prices are constantly fluctuating and will be corrected by the Corporation from time to time. The copper equivalency determined is essentially a semi-quantitative number in that it is not based on metallurgical studies and does not address metal recovery and a host of other production considerations.

Basis of resource estimate

The current resource estimate was prepared by Mr. Ronald James Robinson, BSc., P.Geol., a consulting geologist from Aurora, who is an independent qualified person within the meaning of NI 43-101. Mr. Robinson has reviewed and verified the technical information that forms the basis of and has been used in the preparation of the current mineral resource estimate. Mr. Robinson reviewed all analytical data, diamond drill hole logs, QA/QC data, density measurements, and sampling, diamond drilling and analytical techniques.

Aurora used Gemcom's Surpac geology and mine modeling design and analysis software and an Ordinary Kriging wireframe restricted linear block model to estimate the current mineral resources contained in three of the mineralized zones on the Properties. Classification methodology used to assign a level of confidence to the mineral resources conform to the CIM mineral resource definitions referred to in NI 43-101. The input data for the current mineral resource estimate of the

Properties included all diamond drill hole results on the Southeast, Copper and East Zones of mineralization collected from the Properties since 1996. The analytical results and other technical information included in the current resource estimate have been previously announced by way of news releases over the past three years and are available on www.sedar.com.

Top cut analyses were not performed on the input data set prior to block model estimation. Using these analyses, the assay values for the drill holes used in the resource estimate were composited and composite values greater than 0.20% copper were used for the definition of mineralization.

All samples contained within the mineralized wireframe were composited to a standard length of 2.0 m for geostatistical analysis and interpolation. Variography was performed on the assay data within the mineralized wireframe to generate a series of semi-variograms. These variograms were incorporated into the search ellipsoid parameters used in the interpolation process.

Based on the geological model, exploration grid, search ellipsoid ranges and composite sizes and, the data used in the resource estimate was block modeled with a block size of 10 m by 10 m by 10 m for the purposes of the resource estimate.

Ordinary Kriging method of interpolation technique was used at different search radii for the Southeast and Copper Zones and the application of Inverse Distance Squared estimation was used for the East Zone due to the limited number of drill holes completed into this zone.

Historical resource estimate

Prior to completion of the current mineral resource estimate, an historical estimate which is not compliant with NI 43-101 was completed on the Properties. The historical estimate, which included the Southeast Zone and the Northwest Zone, did not conform to the CIM standards of reporting pursuant to requirements under NI 43-101. It should be noted that a “qualified person” has not done sufficient work to classify the historical estimate as a current resource or mineral reserve. DOT is not treating the historical estimate as current mineral resources or mineral reserves as defined by NI 43-101 and historical estimates should not be relied upon.

The drilling completed in 2007 and 2008 did not verify the historical results of the Northwest Zone, therefore, additional drilling is required to verify the historical results. Based on the historical estimate, the Northwest Zone was estimated to contain 1.29 million metric tonnes grading 0.56% copper. This zone has a minimum strike length of 270 m, a width of 55 m and has been drilled to a depth of 200 m. The mineralization in this zone is open long strike and at depth.

Cautionary note concerning reserve and resource estimates

This press release and other information released by DOT uses the terms “resources”, “indicated resources” and “inferred resources”. United States investors are advised that, while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the “SEC”) does not recognize them. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time a reserve determination is made. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

United States investors are cautioned not to assume that all or any part of Indicated resources will ever be converted into reserves. Inferred resources are in addition to Indicated resources. Inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. United States investors are cautioned not to assume that all or any part of an inferred resource exist, or that it can be mined economically.

NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in this MD&A or released by DOT in the future, have been or will be prepared in accordance with NI 43-101 and the CIM and Petroleum Classification System. The requirements of NI 43-101 are not the same as those of the SEC.

Plans for 2009

The 2009 Aurora Report is an important milestone for the Properties as it is the Corporation's first NI 43-101 compliant report and it establishes a mineral resource for the Properties in accordance with NI 43-101. The recommendations for further work contained in the 2009 Aurora Report have been reviewed by the Corporation and preliminary details of the next exploration phase including geophysical programs and diamond drilling have been formalized. The proposed exploration program consists of 50 kms of an Induced Polarization ("IP") program, and 50 kms of a Magnetometer/ Very Low Frequency ("VLF") survey, followed by a diamond drilling program. Diamond drilling of approximately 3,300 m will focus on three zones, the Northwest Zone to confirm mineralization, the Southeast and West Zones to test depth and strike extensions, plus testing of two previously identified IP targets. The Corporation is currently having discussions with a number of third parties which will be contracted to complete the exploration program. The Corporation anticipates that the exploration program will commence before the end of the third quarter of 2009 once the appropriate capital to finance this program has been raised.

Financial review

No field activities were conducted during the six months ended June 30, 2009. During the quarter, the Corporation was focused on completion of the current mineral resource estimation.

General and administrative expenses for the six months ended June 30, 2009 increased $14,561 to $155,351 from the $140,790 recorded in the comparable period in 2008. The breakdown of general and administrative expenses is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Management fees	$ 60,000	$ 60,000	$ 120,000	$ 120,000
Stock exchange fees	2,495	2,995	7,495	8,395
Investor relations expenses and news releases	2,867	2,297	8,728	4,134
Transfer agent's fees	1,961	3,300	3,559	4,948
Other	13,595	8,656	15,569	3,313
	$ 80,918	$ 77,248	$ 155,351	$ 140,790

The management fees of $120,000 are amounts paid to Alhambra under an Administrative and Corporate Services Contract (the "Contract") for the six months ended June 30, 2009 and 2008. Increase in investor relations expenses and news releases is primarily due to increase in investor relations activities during the period. The increase in other expenses is primarily the result of the additional costs related to the Annual General Meeting and stock exchange fees that are paid on an annual basis and incurred by the Corporation during the period.

Stock based compensation expense totaled $5,447 for the six months ended June 30, 2009 compared to $92,950 for the six months ended June 30, 2008. Both expenses are the amortization of the value ascribed to stock options granted on August 29, 2007. Due primarily to the high volatility of the Corporation's stock price, this calculation gives a significant value to stock options, which must be expensed during their vesting period. In addition, stock-based expense is calculated for each vesting period separately, which results the expense being the largest during the earlier vesting term of each option. The Corporation uses the fair value method of accounting for stock options granted. The fair value of employee stock options is estimated on the date of grant and the resulting fair value is recorded as an expense over the vesting periods of the stock option. The fair value of non-employee stock options is revalued each reporting date with the change in fair value of the unvested options expensed over the remaining vesting periods. In determining the fair value of the stock options granted, the Black-Scholes model is used and assumptions regarding interest rates, underlying volatility of the Corporation's stock and expected life of the options are made.

Net loss for the six months ended June 30, 2009 totaled $160,798 (2008 – $219,698) or $0.004 (2008 – $0.005) per common share based on a weighted average number of common shares outstanding for the period of 41,500,001 (2008 – 41,500,001).

Summary of quarterly results

Three months ended	September 30, 2008	December 31, 2008	March 31, 2009	June 30, 2009
Income (loss)	$ (80,542)	$ 9,410	$ (79,880)	$ (80,918)
Basic and diluted net income (loss) per share	(0.002)	0.000	(0.002)	(0.002)

Three months ended	September 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008
Income (loss)	$ (123,822)	$ (182,190)	$ (135,878)	$ (83,820)
Basic and diluted net (loss) per share	(0.014)	(0.001)	(0.003)	(0.002)

Liquidity and capital resources

At this early stage of its development, the Corporation does not have sources of revenue and relies solely on raising capital though the public markets. The ability of the Corporation to raise capital in the future will directly affect its liquidity and future development of the Properties.

As of June 30, 2009, the Corporation had $84,448 in cash and cash equivalents, which consist of bank balances and term deposits that can be converted to cash at any time.

Capital expenditures

During the six months ended June 30, 2009 the Corporation had $57,274 (2008 – $737,308) in capital expenditures for exploration work that was done as recommended in the 2007 Aurora Report. Following is a breakdown of these capital expenditures:

	Three months ended June 30, 2009	Six months ended June 30, 2009
Drilling	$ –	$ –
Geology	28,806	56,374
Geophysics	–	–
Other	450	900
	$ 29,256	$ 57,274

Related party transactions

During the six months ended June 30, 2009, the Corporation paid $120,000 (2008 – $120,000) to Alhambra in management fees under the Contract. The amount owing under the Contract as of June 30, 2009 was $40,037 (2008 – $nil).

During the six months ended June 30, 2009, the Corporation incurred $6,220 (2008 – $10,385) in costs from a law firm in which an officer of the Corporation is a partner. This amount was charged to legal expenses.

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

Outstanding share data

At June 30, 2009, there were 41,500,001 (2008 – 41,500,001) common shares issued and outstanding. In addition, there were options to purchase 2,050,000 (2008 – 2,325,000) common shares under the Corporation's stock option plan, all of which (2008 – 1,162,500) were vested as of June 30, 2009. During the six months ended June 30, 2009 options to purchase 275,000 common shares under the Corporation's stock option plan were cancelled.

Also, outstanding were Warrants to purchase 5,749,999 (2008 – 5,749,999) common shares. Each warrant, which expires on August 29, 2009, entitles the holder thereof to acquire one (1) common share of the Corporation at an exercise price of $0.35 per share. If the closing trading price of the Corporation's common shares is equal to or exceeds $0.55 for fifteen (15) consecutive trading days during the term of the Warrants, then the expiry time of the Warrants shall automatically accelerate to the date which is thirty (30) days following the date a news release is issued by the Corporation announcing the reduced expiry time without further notification made by the Corporation, after which the Corporation's Warrants shall be null and void.

On August 25, 2009 the board of directors approved the making of an application to the TSX Venture Exchange Inc. for the approval of a two year extension in respect of the warrants. Extension of the warrants is subject to regulatory body approval. All other terms and conditions attached to the warrants remain unchanged.

The Corporation also has outstanding 690,000 agent options that entitle the holders thereof to purchase up to 690,000 units of the Corporation at $0.20 per unit. Each unit is comprised of one (1) common share and one-half (1/2) of a warrant, with each whole warrant vesting immediately and entitling the holder to acquire one (1) common share of the Corporation at an exercise price of $0.35 for a term of two (2) years expiring on August 29, 2009.

Subsequently, up to August 25, 2009, no additional common shares, options or warrants have been issued.

Financial instruments

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are approximated by their carrying amounts because of their short-term nature or because they bear interest at market rates.

Off balance sheet arrangements

The Corporation has no off balance sheet arrangements.

Business risks

World Economic Slowdown

The current worldwide economic slowdown, stock market uncertainty and international credit crisis could adversely impact the Corporation's ability to raise sufficient working capital to sustain operations. The Corporation can neither predict the impact the current economic conditions will have on future results, nor predict when the economy will show meaningful improvement.

Exploration and development

The mining industry in general is inherently risky in nature. Mineral properties are often non-productive for reasons that cannot be anticipated in advance and the Corporation may be subject to risks from operations, mining law, environmental regulations, permits, licenses, land claims and financing.

The Corporation focuses exploration efforts in areas in which it has existing knowledge and expertise. Exploration activities rely on the exploration results collected at that time and on professional judgment of people involved in the exploration business. There can be no assurance that exploration programs will result in a discovery being made. In the event that a discovery is made, no assurance can be given that the discovery will result in either resources or reserves being established on the property. If reserves are established, it may take a number of years and substantial expenditures until production is achieved, during which the economic feasibility of the project may change.

The long-term profitability of the Corporation's operation will, in part, be directly related to the success of its exploration programs in finding additional reserves, which may be affected by a number of factors that are beyond the control of the Corporation.

Operations risk

Operations risk relates to the ability to recover metal from an established mineral reserve. Using skilled and experienced professional staff reduces this risk. Using the latest technologies and controlling costs to maximize profitability also assists in minimization of this risk. Other possible risks include changes in metal prices, unstable ground conditions, procurement of reagents, supplies and fuels and qualified operating personnel as well as severe weather conditions.

Regulations and mining law

DOT's mining operations and exploration activities are subject to the laws and regulations of the Province of British Columbia, Canada. There is no assurance that these laws will not change in the future.

Environmental factors

All phases of the Corporation's operations are subject to environmental regulation in British Columbia. Although DOT takes the steps necessary to protect the environment around its operations, there is no assurance that future changes in environmental regulation, if any, will not adversely affect DOT's operations or result in substantial costs and liabilities in the future.

Permits and licenses

The operations of the Corporation require permits from the Province of British Columbia. The Corporation has secured the necessary permits for its current exploration program. There can be no assurance that the Corporation will be able to obtain all necessary permits that may be required to carry out its operations in the future.

Financing risks

Continued exploration and development of the Properties, as well as the Corporation's ability to continue as a going concern are dependent on DOT's ability to obtain necessary financing. As the Corporation is not currently producing from its Properties, it will be necessary for the Corporation to seek additional equity to finance its programs. While the Corporation has been successful in the past in attracting equity financing required to carry out its planned exploration program, there can be no assurance that additional funding will be available in the future, particularly in light of the current state of the equity markets. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration plans, as well as the Corporation's ability to continue as a going concern.

Significant Accounting Policies

The significant accounting policies used by the Corporation are disclosed in the notes to the Corporation's audited financial statements for the year ended December 31, 2008. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The following discussion outlines such accounting policies and is included in this MD&A to aid the reader in assessing the significant accounting policies and practices of the Corporation and likelihood of materially different results being reported. The Corporation's management reviews its estimates regularly.

The interim financial statements have been prepared by management following the same accounting policies and methods that were used and disclosed in the audited financial statements for the year ended December 31, 2008, except as disclosed below. The interim financial statements include all adjustments necessary to present fairly the results for the interim period ended June 30, 2009. The interim financial statements should be read in conjunction with the most recent audited financial statements and notes filed on SEDAR for the year ended December 31, 2008.

The following summarizes accounting changes that will be relevant to the Company's financial statements, effective January 1, 2009.

Accounting policies implemented effective January 1, 2009

On January 1, 2009, the Corporation adopted the Handbook Section 3064 – Goodwill and Intangible Assets ("Section 3064"), which replaces CICA Handbook Section 3062 – Goodwill and Other Intangible Assets ("Section 3062") and 3450 – Research and Development Costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of Section 3064 did not result in a material impact on the Corporation's financial statements.

In January 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 173 – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable to the Corporation's interim and annual financial statements for its fiscal year ending

December 31, 2009, with retroactive application. The adoption of EIC-173 did not result in a material impact of the Corporation's financial statements.

In March 2009, the CICA issued EIC Abstract 174 – Mining Exploration Costs ("EIC-174"), which supersedes EIC Abstract 126 – Accounting by Mining Enterprises for Exploration Costs ("EIC-126"), to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC-174 is applicable for the Corporation's interim and annual financial statements for its fiscal year ending December 31, 2009, with retroactive application. The adoption of EIC-174 did not result in a material impact on the Corporation's financial statements.

Future accounting policies

In January 2009, the CICA issued Handbook Section 1582 – Business Combinations ("Section 1582"), 1601 – Consolidated Financial Statements ("Section 1601") and 1602 – Non-controlling Interests ("Section 1602"), which replaces CICA Handbook Section 1581 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under the International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Corporation's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Sections 1601 and 1602 are applicable for the Corporation's interim and annual financial statements for its fiscal year beginning January 1, 2011. Early adoption of these sections is permitted. The Corporation is currently evaluating the requirements of the new standards.

In February 2008, the Accounting Standard Board ("AcSB") announced that accounting standards in Canada will be harmonized with IFRS and that public companies will be required to present their financial statements, with comparative data, under these standards for fiscal years beginning on or after January 1, 2011. IFRS will require the disclosure of additional information in the financial statements and, despite the similar conceptual framework of Canadian GAAP and IFRS, the Corporation will have to take into account the differences between these accounting principles. The Corporation is currently evaluating the impact of these requirements on its financial statements.

Forward-Looking Information

Except for the statements of historical fact contained herein, certain statements contained in this MD&A constitute "forward-looking statements" as such term is used in applicable Canadian and US laws. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, any statements concerning the timing, content and future success of diamond drilling or geophysical surveying or the ability to obtain funding and other factors and events described in this MD&A should be viewed as forward-looking statements to the extent that they involve estimates thereof. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and should be viewed as "forward-looking statements". Such forward-looking statements, including but not limited to, the amount of estimated mineralization, the timing and possible outcome of possible pending economic evaluations, the Corporation's liquidity and financial capacity, the Corporation's funding sources to meet various obligations and other factors and events described in this document, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, potential drilling targets, exploration results, the timing of future diamond drilling, geophysical survey results, the availability of capital to fund exploration activities and the resulting dilution caused by the rising of capital through the sale of shares, the effects of the recessionary economy and such other business risks as discussed herein and other publically filled disclosure documents. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this MD&A.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

This MD&A contains forward-looking statements based on assumptions, uncertainties and management's best estimates of future events. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Actual results may differ materially from those currently anticipated. The forward-looking statements contained herein are expressly qualified by this cautionary statement.