DOT Resources Ltd.
Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Nine Months Ended September 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 nine months ended September 30, 2009 and the factors reasonably expected to impact future operations and results as prepared on November 26, 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 nine months ended September 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 November 26, 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

Having received its NI 43-101 compliant resource report in the second quarter of 2009, the Corporation, upon review of the recommendations made in the report for further work, formalized preliminary details of the next proposed exploration phase including geophysical programs and diamond drilling. The initially proposed exploration program consisted of 50 kilometers ("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 metres ("m") was to 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 held discussions with a number of third parties to complete the exploration program and anticipated that the exploration program would commence before the end of the third quarter of 2009 once the appropriate capital to finance this program had been raised.

Late in the third quarter of 2009, the Corporation announced the successful completion of an equity financing for aggregate gross proceeds of approximately $850,000. With the financing completed, the Corporation was able to formalize its exploration program.

In late October of 2009, the Corporation commenced its 2009 fall exploration program. With the Corporation's objective being to increase its current reported NI 43-101 resource base, it announced an updated program of diamond drilling only. It is anticipated that 3,000 m or up to ten holes focused on the Southeast zone, the West Zone and the Northwest Zone will be drilled with hole depths ranging from 250 to 450 m. The Corporation anticipates that the drilling program will be completed before or shortly after the end of 2009 with results of this program being made available thereafter.

Financial review

No field activities were conducted during the nine months ended September 30, 2009. During the quarter, the Corporation was focused on completing the equity financing and preparing to begin an exploration program.

General and administrative expenses for the nine months ended September 30, 2009 increased $9,502 to $224,686 from the $215,184 recorded in the comparable period in 2008. The breakdown of general and administrative expenses is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Management fees	$ 60,000	$ 60,000	$ 180,000	$ 180,000
Stock exchange fees	–	–	7,495	8,395
Investor relations expenses and news releases	4,302	1,308	13,030	5,442
Transfer agent's fees	1,847	1,183	5,406	6,130
Other	3,286	11,903	18,755	15,217
	$ 69,335	$ 74,394	$ 224,686	$ 215,184

The management fees of $180,000 are amounts paid to Alhambra under an Administrative and Corporate Services Contract (the "Contract") for the nine months ended September 30, 2009 and 2008. The majority of the increase is attributed to increase in investor relations expenses and news releases, which are 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 incurred by the Corporation during the period.

Stock based compensation expense totaled $5,447 for the nine months ended September 30, 2009 compared to $99,560 for the nine months ended September 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 in 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 nine months ended September 30, 2009 totaled $230,133 (2008 – $300,240) or $0.005 (2008 – $0.007) per common share based on a weighted average number of common shares outstanding for the period of 41,864,984 (2008 – 41,500,001).

Summary of quarterly results

Three months ended	December 31, 2008	March 31, 2009	June 30, 2009	September 30, 2009
Income (loss)	$ 9,410	$ (79,880)	$ (80,918)	$ (69,335)
Basic and diluted net income (loss) per share	0.000	(0.002)	(0.002)	(0.001)

Three months ended	December 31, 2007	March 31, 2008	June 30, 2008	September 30 2008
Income (loss)	$ (182,190)	$ (135,878)	$ (83,820)	$ (80,542)
Basic and diluted net (loss) per share	(0.001)	(0.003)	(0.002)	(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 September 30, 2009, the Corporation had $799,399 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 nine months ended September 30, 2009 the Corporation had $122,662 (2008 – $838,075) in capital expenditures for exploration work. Following is a breakdown of these capital expenditures:

	Three months ended September 30, 2009	Nine months ended September 30, 2009
Drilling	$ –	$ –
Geology	–	56,374
Geophysics	64,938	64,938
Other	450	1,350
	$ 65,388	$ 122,662

Related party transactions

During the nine months ended September 30, 2009, the Corporation paid $180,000 (2008 – $180,000) to Alhambra in management fees under the Contract. The amount owing under the Contract as of June 30, 2009 was $40,336 (2008 – $nil).

During the nine months ended September 30, 2009, the Corporation incurred $12,437 (2008 – $28,602) in costs from a company controlled by a director and former officer of the Corporation. All amounts were charged to mineral properties and deferred exploration and development costs.

During the nine months ended September 30, 2009, the Corporation incurred $32,039 (2008 – $11,663) in costs from a law firm in which an officer of the Corporation is a partner. Of the total, $7,177 (2008 - $11,633) was charged to legal expenses and $24,862 (2008 - $nil) was charged as share issue costs.

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 September 30, 2009, there were 55,734,333 common shares issued and outstanding. In addition, there were options to purchase 1,875,000 common shares under the Corporation's stock option plan, all of which were vested as of September 30, 2009. During the nine months ended September 30, 2009 options to purchase 450,000 common shares under the Corporation's stock option plan were cancelled. Also outstanding were Warrants (the "Warrants") to purchase 14,234,332 common shares and Agent options to purchase 863,333 units (the "Agent Options"). Subsequently, up to November 26, 2009, options to purchase an additional 2,050,000 common shares were granted to officers, directors, and consultants of the Corporation.

Each Warrant, which expires on September 23, 2011, entitles the holder thereof to acquire one (1) common share of the Corporation at an exercise price of $0.10 per share up to September 23, 2010 or at an exercise price of $0.12 per share up to September 23, 2011.

The Agent Option entitles the holders thereof to purchase up to 863,333 units of the Corporation at $0.06 per unit up to September 23, 2010 or at $0.10 up to September 23, 2011. Each unit is comprised of one (1) common share and one (1) warrant, subject to the same terms and conditions as the Warrants.

Subsequently, up to November 26, 2009, no additional common shares 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 September 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 CICA Accounting Standards Board (“AcSB”) confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011, including comparatives for 2010.

The International Accounting Standards Board (“IASB”) has also issued an exposure draft relating to certain amendments and exemptions to IFRS 1. It is anticipated that this exposure draft will not result in an amended IFRS 1 standard until late 2009. Although the amended IFRS 1 standard would provide relief, the changeover to IFRS represents a significant change in accounting standards and the transition from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect the Corporation’s reported financial position and reported results of operations.

During 2009, the Corporation plans to complete a high-level IFRS changeover plan and establish a preliminary timeline for the execution and completion of the conversion project. The changeover plan will include a preliminary assessment of the differences between Canadian GAAP and IFRS and the potential effects of IFRS to accounting and reporting processes, information systems, business processes and external disclosures. This assessment will provide insight into what are anticipated to be the most significant areas of difference applicable to the Corporation.

Following the completion of the high-level IFRS changeover plan, the Corporation will perform an in-depth review of the significant areas of difference, identified during the preliminary assessment, in order to identify all specific Canadian GAAP and IFRS differences and select ongoing IFRS policies. Key areas addressed will also be reviewed to determine any information technology issues, the impact on internal controls over financial reporting and the impact on business activities. External advisors will be retained to assist management with the project on an as needed basis. The Corporation will also continue to monitor standards development as issued by the IASB and the AcSB as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of its adoption of IFRS.

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 raising of capital through the sale of shares, the effects of the recessionary economy and such other business risks as discussed herein and other publically filed 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.