DOT Resources Ltd.
Management's Discussion and Analysis of Financial Condition and Results of Operations for the Nine Months Ended September 30, 2010

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, 2010 and the factors reasonably expected to impact future operations and results as prepared on November 24, 2010. 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, 2009 and the related notes and the unaudited financial statements for nine months ended September 30, 2010. 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 24, 2010. 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

Operation activities during the third quarter of 2010 were limited as the Corporation is evaluating the results of the two drilling programs completed during the last quarter of 2009 and the first quarter of 2010. The next steps in the exploration of its Properties will depend on these results and on obtaining sufficient financing.

Financial review

General and administrative expenses for the three months ended September 30, 2010 increased $4,135 to $73,526 from the $69,335 recorded in the comparable three month period in 2009. For the nine months ended September 30, 2010 general and administrative expenses increased $18,783 to $243,469 from the $224,686 recorded in the comparable period in 2009. The breakdown of general and administrative expenses is as follows:

		Three months ended September 30,		Nine months ended September 30,
	2010	2009	2010	2009
Management fees	$ 60,000	$ 60,000	$ 180,000	$ 180,000
Legal	4,345	956	26,430	7,177
Stock exchange fees	–	–	9,900	7,495
Audit	8,031	–	8,031	738
Annual general meeting	61	61	6,527	7,242
Investor relations expenses and news releases	–	4,302	5,400	13,030
Transfer agent's fees	1,734	1,847	6,161	5,406
Other	(645)	2,169	1,020	3,598
	$ 73,526	$ 69,335	$ 243,469	$ 224,686

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, 2010 and 2009.

Stock based compensation expense for the nine months ended September 30, 2010 totaled $63,743 (2009 – $5,447) and is the amortization of the value ascribed to stock options granted on, October 7, 2009, and November 16, 2009. 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 compensation 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 three months ended September 30, 2010 totaled $78,645 (2009 – $69,335) or $0.00 (2009 – $0.00) per common share based on a weighted average number of common shares outstanding for the period of 55,734,333 (2009 – 42,583,048).

Net loss for the nine months ended September 30, 2010 totaled $307,212 (2009 – $230,133) or $0.01 (2009 – $0.00) per common share based on a weighted average number of common shares outstanding for the period of 55,734,333 (2009 – 41,864,983).

Summary of quarterly results

Three months ended	December 31, 2009	March 31, 2010	June 30, 2010	September 30, 2010
Loss	$(174,330)	$ (146,614)	$ (81,953)	$ (78,645)
Basic and diluted net loss per share	(0.01)	(0.01)	(0.00)	(0.00)
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	0.00	(0.00)	(0.00)	(0.00)

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.

As of September 30, 2010, the Corporation had $68,062 in cash.

The unaudited financial statements and the MD&A for the nine months ended September 30, 2010 have been prepared on a going concern basis in accordance with generally accepted accounting principles. There is significant doubt about the appropriateness of the use of the going concern assumption because the Corporation is in the process of exploring its mineral properties, has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable, has experienced and continues to experiences losses from operations and negative cash flows and relies on external financing to fund operations. During the third quarter Alhambra advanced DOT $400,000 to assist DOT with its outstanding obligations while DOT is contemplating various options regarding the financing of its exploration plans.

The ability of the Corporation to continue as a going concern is dependent on the Corporation's ability to obtain financing to continue development of the mineral properties, to commercialize its mineral properties and to sustain operations. The continuing worldwide economic slowdown, stock market uncertainty and worldwide credit crisis could significantly impair the Corporation's ability to raise further working capital and there is no certainty that the Corporation will be able to obtain the financing required to continue exploration and development activities or continue on-going operations. In addition, there is no certainty that the mineral properties will contain economically recoverable reserves.

Capital expenditures

During the nine months ended September 30, 2010 the Corporation had $263,123 (2009 – $122,662) in capital expenditures for exploration work. Following is a breakdown of these capital expenditures:

	Three months ended September 30, 2010	Nine months ended September 30, 2010
Drilling	$ –	$ 260,273
Geology	–	–
Geophysics	–	–
Other	900	2,850
	$ 900	$ 263,123

Related party transactions

The Corporation and Alhambra have an Administrative and Corporate Services Contract (the "Contract") whereby the Corporation agrees to engage Alhambra to provide management, administration and corporate services to the Corporation. The Contract provides for a monthly remuneration of $20,000 plus all reasonable out of pocket expenses and is for an indefinite term but may be terminated by either party upon providing thirty (30) days prior written notice. During the nine months ended September 30, 2010, the Corporation incurred $180,000 under the Contract (2009 – $180,000). The amount owing under the Contract as of September 30, 2010 was $695,383 (2009 – $40,353). During the third quarter Alhambra advanced DOT $400,000 to assist DOT with its outstanding obligations while DOT is contemplating various options regarding the financing of its exploration plans.

During the nine months ended September 30, 2010, the Corporation incurred $nil (2009 – $12,437) in costs from a company controlled by a former director and officer of the Corporation. These amounts were recorded to mineral properties and deferred exploration and development costs. The amount owing to the company controlled by a former director and officer as of September 30, 2010 was $6,342 (2009 - $1,435).

During the nine months ended September 30, 2010, the Corporation incurred $26,430 (2009 – $7,177) in costs from a law firm in which an officer of the Corporation is a partner. These amounts were recorded as general and administrative expense. The amount owing to the law firm as of September 30, 2010 was $4,447 (2009 - $4,207).

These transactions 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, 2010 and November 24, 2010, there were 55,734,333 common shares issued and outstanding. In addition, there were options to purchase 2,200,000 common shares under the Corporation's stock option plan. Also outstanding were warrants (the "Warrants") to purchase 15,097,665 common shares and Agent options to purchase 863,333 units (the "Agent Options").

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 common share up to September 23, 2010 or at an exercise price of $0.12 per common share up to September 23, 2011.

The Agent Options entitle 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.

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

As a pure exploration corporation, DOT's goal is to continue to find resources and reserves that can be developed economically. In attempting to accomplish this goal, the Corporation faces many risks that it must minimize.

World Economic Slowdown

The continuing 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, 2009. 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 following significant accounting policies outline the major policies involving critical estimates.

Mineral resources and reserves

A mineral resource is defined by the Canadian Institute of Mining, Metallurgy and Petroleum as a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospect for economic extraction. Mineral reserves are those parts of mineral resources which, after the application of all mining factors, estimated copper recovery and operating costs, is the estimated tonnage and grade which is the basis of an economically viable project. Proven and probable reserves differ by the degree of certainty of such reserve. By their nature, reserves are at best estimates and can only be determined once the reserves have been completely mined and the project abandoned. Changes in proved and probable reserves impact the evaluation for impairment as discussed in note 2(a) of the financial statements.

Asset retirement obligations

Asset retirement obligations are initially measured at fair value when they are incurred which is the discounted future value of the estimated liability. This requires an estimate to be made of the future costs of retiring the asset at the point in time the asset is acquired.

Income tax accounting

The determination of the Corporation's income tax assets or liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax assets or liabilities may differ significantly from that estimated and recorded by management.

Stock-based compensation

Compensation costs attributable to stock options granted by the Corporation are charged to earnings over the vesting periods of the options. The fair value calculation method adopted by the Corporation is the Black-Scholes model, which requires management to estimate interest rates, the expected life of the options and the expected volatility of the Corporation's share price over the life of the options. These estimates may be different than the actual interest rates, life and volatility.

Future accounting policies

Business combinations

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.

International Financial Reporting Standards

Publicly traded entities will be required to adopt International Financial Reporting Standards ("IFRS") in interim and annual financial statements for fiscal years beginning on or after January 1, 2011 including comparative figures for the prior year. The Corporation will transition to IFRS effective January 1, 2011 and intends to issue its first interim financial statements under IFRS for the three month period ending March 31, 2011 and a complete set of financial statements under IFRS for the year ending December 31, 2011.

To date, management has been focused on several significant transactions including planning and carrying out its exploration program, searching for funds to finance this program and corporate overhead. As such, significant resources have not yet been dedicated to the IFRS conversion project. Education and initial assessment activities have been conducted, however, a formal conversion assessment and the associated conversion plan has not been developed.

An evaluation of IFRS conversion requirements that pertain to the Corporation will be conducted during the second half of 2010. This will then lead to the development of an implementation plan to transition the Corporation's financial reporting process, including internal controls and information systems to IFRS. The evaluation will also allow the Company to be in a position to estimate the initial financial impact of the transition to IFRS.

To date no specific financial areas have been reviewed, however, based on the education and initial assessment activities completed to date, the following are the more significant IFRS differences impacting the financial statements of the Company:

Property, plant and equipment ("PP&E") – the carrying value of Corporation's undeveloped properties will be considered E&E assets under IFRS. IFRS permits an entity to elect the level at which E&E assets will be tested for impairment whilst in the E&E stage. E&E assets can be tested at a granular level up to the level of an operating segment. Management has not determined if it will continue to assess E&E assets under IFRS at the same level as under Canadian GAAP. Under Canadian GAAP, DOT assesses its undeveloped properties for impairment at the level of a mineral project of which the Corporation currently has only one such project.

Share-based payments: Under IFRS 2, Share-Based Payment, awards will continue to be measured at fair value, with compensation expense under the Corporation's plans recognized over the service period. For DOT's plan which is equity-settled, the Corporation will continue to recognize a corresponding increase in equity. Unlike Canadian GAAP, the service period under IFRS may commence prior to the date of grant and end on the vesting date. Also unlike Canadian GAAP, which allows the expense to be recorded on a straight-line basis, IFRS requires the expense recognition to be graded. Both of these represent a difference in timing and ultimately do not impact the overall expense.

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 to sustain operations 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.