Management Discussion and analysis for the year ended June 30, 2010

Management's discussion and analysis

The following management's discussion and analysis (the "MD&A") objective is to help the reader better understand the activities of the Corporation and the highlights of its financial situation. It explains the financial situation and the results for the fourth quarter and the year ended June 30, 2010. It also presents a comparison of the Corporation's balance sheets as of June 30, 2010 and June 30, 2009.

The MD&A has been prepared in accordance with Regulation 51-102 and should be read in conjunction with, the annual audited financial statements of the Corporation for the fiscal year ended June 30, 2009 and the annual audited financial statements for the fiscal year ended June 30, 2010 and the related notes thereto

The Company's audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). These financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors. Unless otherwise indicated, all the amounts in this MD&A are in Canadian dollars.

Forward looking statements

Some statements contained in this MD&A, specially the opinions, the projects, the objectives, the strategies, the estimates the intent and the expectations of the Corporation that are not historical data, are forward looking statements. Such statements can be recognized by the terms "forecast", "anticipate", "consider", "foresee" and other terms and similar expressions. These statements are based on information available at the time they are made, on hypothesis established by the management and on the management expectation, acting in good faith, concerning future events and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section Risks and uncertainties). The real results for the Corporation could differ in an important way of those which state or that these forward looking statements show the possibility for. Consequently it is recommended not to trust unduly these statements. These statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. Except if the applicable legislation requires it, the Corporation does not intend to update these prospective statements to reflect, in particular, new information or future events, and it is by no means committed doing so.

Scope of activities

The Corporation is involved in mineral exploration in the province of Quebec, Canada and has started its activities in January 2008. The Corporation has decided to concentrate its exploration efforts in the James Bay region, in Quebec, mainly in the sector of Nemaska, along the Lac des Montagnes green belt polymetallic formation. With its Lac Arques, Whabouchi, Lac Levac and Lac des Montagnes, all 100 % owned, the Corporation controls the Lac des Montagnes formation over a distance of 85km.

The Corporation initially acquired in May 2008, 100 % interest in map designated mining claims located in sheets SNRC 32O11, 32O12, 32O13 and 32O14 in the province of Quebec within the James Bay territory (Lac Arques property).

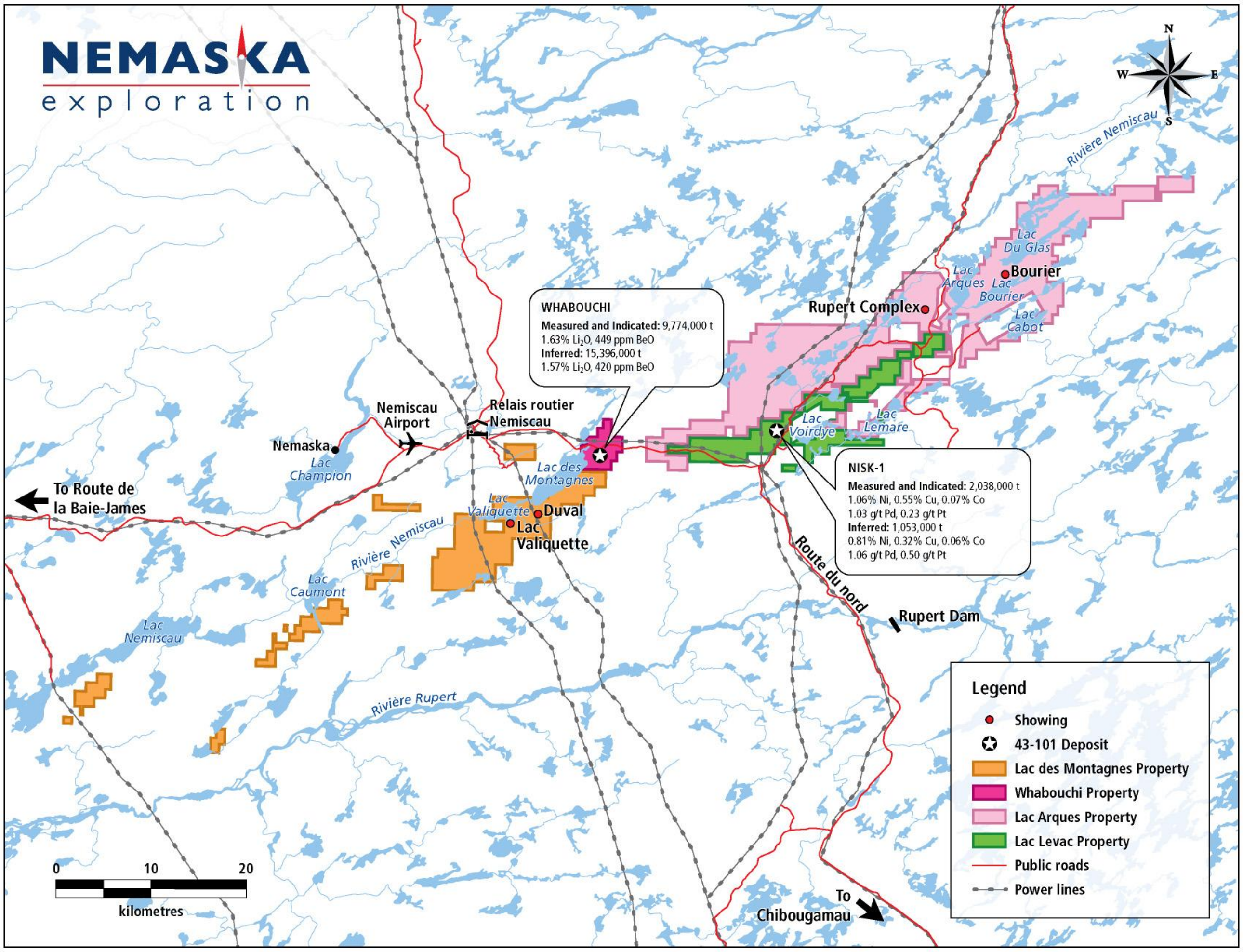
The Corporation has also acquired, in September 2009, 100 % interest in a group of 16 claims, covering about 854 hectares, located in sheet SNRC 32O12. These claims are part of the Whabouchi property (White Mountain in Cree language). These claims cover the lithium showing known as the «Lac des Montagnes», which is characterized by the presence of spodumene pegmatite zones. The work done by the Corporation has allowed to confirm the presence of an important spodumene pegmatite deposit, of over 1,400 m long by 200 m wide. The deposit is confirmed by a resource estimate compliant with National instrument 43-101 dated May 28, 2010 and prepared by SGS Geostat and contains the following resources :.

Resources estimate – Whabouchi project (average depth of 240 m)					
Categories of resources	**Tonnes**	**Grade Li_2O (%)**	**Grade BeO (ppm)**	**Li Metal (tonne)**	**Be Metal (tonne)**
Measured	**1,885,000**	**1.60**	**458**	**14,000**	**300**
Indicated	**7,889,000**	**1.64**	**446**	**59,900**	**1,300**
Measured + Indicated	**9,774,000**	**1.63**	**449**	**74,000**	**1,600**
Inferred	**15,396,000**	**1.57**	**420**	**112,100**	**2,300**

The Corporation has acquired in January 2010, 581 claims belonging to Golden Goose Resources Inc., and which are located in sheets SNRC 32O11, 32O12, 32O13 and 32O14 (Lac Levac (about 9,200 hectares) and Lac des Montagnes (about 12,740 hectares) properties. Specifically, the Lac Levac property holds the Ni-Cu-PGE, Nisk-1 deposit, on which the following resources have been released and confirmed by a NI 43-101 report signed by RSW Inc. in December 2009:

Resources estimate – Nisk-1 deposit (average depth of 300 m)								
Categories	**Tonnes**	**Ni (%)**	**Ni (lb)**	**Cu (%)**	**Cu (lb)**	**Co (%)**	**Pd (g/t)**	**Pt (g/t)**
Measured	1,255,000	1.09	30,158,000	0.56	15,461,600	0.07	1.11	0.20
Indicated	783,000	1.09	17,262,000	0.53	9,129,780	0.06	0.91	0.29
Measured+ Indicated	**2,038,000**	**1.06**	**47,420,000**	**0.55**	**24,591,380**	**0.07**	**1.03**	**0.23**
Inferred	1,053,000	0.81	18,803,000	0.32	7,413,120	0.06	1.06	0.50

The properties owned by the Corporation with indication of the deposits and showings are indicated in the following map:



The Lac des Montagnes property holds the nickel-copper showing known as “Lac Valiquette”.

The Corporation has acquired in October 2009, the rights and interests in an option agreement with Azimut exploration Inc. concerning 1,361 claims, distributed in 15 blocks, located in Northern Quebec. These claims have a potential for uranium and rare earth elements.

The Corporation has no income from mineral production, but solely interest earned on term deposits as the case may be.

Exploration highlights

Lac Arques

Since it started its activities, until the date of this document, the Corporation has made the following work on the Lac Arques property:

- ✓ June 2008, a magnetic and electro-magnetic heliborne survey covering 223 claims (1,370 km of lines covered). The survey was completed June 16, 2008 and the final report from Aeroquest Limited was received in August 2008.

- ✓ A technical report compliant with National instrument 43-101 concerning the Lac Arques property was prepared by Mr. Donald Théberge, Ing, M.B.A. in September 2008.
- ✓ An advanced interpretation of the heliborne survey done by Aeroquest in June 2008 was done by GPR International geophysics in September 2008. This report recommended diamond drilling as well as a spectrometric survey to covert other type of mineralisation.
- ✓ During the months of October and November 2008, two site visits have taken place. The first visit lasted 6 days. One geologist and 3 technicians have visited 4 sites to investigate and sample. During the second visit that lasted 10 days, 1 geologist and 2 technicians have mapped and sampled the Rupert derivation tunnel which crossed the property for a distance of 2.9km at a depth of about 60 m. Furthermore, they have visited and sampled the Lac Sillimanite showing. The final report of this visit was prepared by Mr. Denis Raymond, Eng. M. SC, and received March 25, 2009. This report recommends among other, to continue exploration on each side of the Rupert tunnel on the South-West and North-East extensions of the Lac Sillimanite showing and of the Chlorite lake.
- ✓ In June 2009, two important heliborne surveys, one E.M – Mag type and the other, MAG – spectrometric were done on most of the Lac Arques property by GPR International Geophysics Inc. These two surveys have covered 3,295km in the case of the E.M. – Mag survey and 3,115.4km of lines in the case of the MAG – Spectrometric survey. About 682 claims were covered by these surveys.

During the year ended June 30, 2010 and as of the date of this document, the Corporation has done the following work:

- ✓ In July 2009, a first phase of prospection and review of the spectrometric and electromagnetic anomalies identified by the 2009 heliborne surveys was done .A team of 2 geologists and 2 prospectors equipped with Beep-Mat, have located and sampled 67 sites of EM conductors and 6 sites of spectrometric anomalies. A total of 101 samples (91 grab samples and 10 blanks) have been sent for analysis. These samples mainly came from conductive zones with sulphurs (pyrrhotite, pyrite, chalcopyrite), but contained only anomalous values.
- ✓ Following the work done on the property Since June 2008, a new technical report compliant with National Instrument 43-101, prepared by Mr. Donald Théberge, Eng, M.B.A., in December 2009, recommends additional work on the Lac Arques property.
- ✓ Compilation of the historical data and planning of a large prospection and mapping campaign scheduled for the summer of 2010.
- ✓ From May 28 to September 30, 2010, a prospection campaign aiming at identifying on the ground the magnetic and electromagnetic anomalies obtained from the 2009 heliborne survey was conducted in the Lac Bourier, Lac Bourier South and Rupert Complex sectors and on 2 circular magnetic anomalies of kimberlite type and around Lac Voirdye.
- ✓ For the Lac Bourier sector, two teams of 1 geologist and 2 assistants, equipped with Beep-Mat, have located and sampled 18 EM anomalies. A total of 20 samples (rocks and soil) were sent for assays. These samples come mainly from a conductor containing pyrrhotite, pyrite and chalcopyrite.
- ✓ In September, in the Lac Bourier sector, 25 trenches were done to cover a 7 km of a 12km long EM conductor. 293 channel samples were collected. This work has allowed identifying volcanogenic massive sulphides.
- ✓ In the Bourier Lake South sector, a team of 1 geologist and 2 assistants has done 5 days of prospection and mapping. In the Rupert complex sector, 2 teams of 2 geologists and 2 assistants have done prospection work on a 5km by 8km circular anomalies for about one month.

- ✓ On the 2 magnetic circular anomalies of kimberlitic type, one geologist and 1 assistant have done prospection work for two days, using a helicopter.
- ✓ During the month of September, a soil samples collection was done over 2 km of an EM conductor in the Lac Voirdye sector.
- ✓ 133 additional claims were mapped designated during the month of September 2010 to cover the extension to the East of the massive sulphides zone identified in the Lac Bourier sector.
- ✓ A heliborne magnetic and electromagnetic survey covering 953km over the East extension of the Bourier lake sector was completed, at a 100m spacing. This survey was done over the 133 claims mapped designated in September.

As at June 30, 2010 the Corporation had incurred a cumulative amount of $698,815 net of the mining rights credits receivable and tax credit receivable in exploration work on the Lac Arques property.

Whabouchi

Since September 18, 2009, the following exploration work has been done on this property:

- ✓ Data compilation of the work previously reported on the property and surface sampling done in September 2009.
- ✓ A technical report compliant with National instrument 43-101 has been prepared by Mr. Donald Théberge Eng, M.B.A. on the Whabouchi property and is dated October 2nd, 2009. In particular, this report recommends doing a channel sampling campaign, trenching and 5,600 m of diamond drilling.
- ✓ In October 2009, the first phase of work recommended was done. Under the supervision of Mr. Denis Raymond, Eng. M. SC, the campaign lasted 25 days and 3 geologists and 4 technicians were involved. These works were aiming at acquiring additional geological information on the distribution of the known spodumene bearing pegmatite zones, to sample them systematically by channel sampling and by diamond drilling to validate historical drilling results from Canico (1962-63) and of channel samples from INCO (2002). These objectives have been achieved and exceeded. A total of 16 trenches and mechanical stripping have exposed more than 710 meters of pegmatite and country rocks. These trenches, with a 50m to 100m spacing, covered 1,000m laterally. The trenches allowed by systematic channel sampling, the collection of 296 samples in the pegmatite bands and their immediate wall-rocks. These systematic sampling of the pegmatite bands can be considered surface equivalent of a drill hole. At least one channel duplicates a channel done by Inco in 2002. In addition, 7 diamond drill holes, totalling 915 m helped validate diamond drill results from Canico in 1962-63 and to check the continuity and in-depth extensions (up to 150m) of certain pegmatite bands, especially the western part of the property. All the holes done in 2009, to the exception of hole 01 abandoned for technical reasons, have intersected pegmatite zones varying from 0.7 to 100.9m.
- ✓ Under the supervision of Yvan Bussières, a second drilling campaign started January 15, 2010 and totalling 11,630 m in 59 holes was completed on April 30. The technical firm SGS Geostat was mandated to do a resources estimate conform with National Instrument 43-101.
- ✓ An initial ground magnetic survey, covering a 14 km grid was done on the Lac des Montagnes showing.
- ✓ A Mag heliborne survey was done on all of the property in March and April 2010 by GPR Geophysics International Inc. This survey covered 670 km of lines with 50 m spacing and

has allowed to identifying additional exploration targets for spodumene bearing pegmatites zones in the vicinity of the Lac des Montagnes showing.

- ✓ An advanced interpretation of this survey and the ground Mag survey has been produced by Mr. Marc Boivin P. Geo. on May 20, 2010.
- ✓ Stripping of the South contact of the main zone over more than 750 m was done in May, 2010.
- ✓ 1.2 km access road construction completed in May 2010.
- ✓ From May 12 to 24, 2010, a geological and prospection campaign was carried out.
- ✓ A NI 43-101 compliant report by SGS Geostat establishing the mineral resources of the Whabouchi deposit was submitted on May 28, 2010.
- ✓ High definition mineralogical assay by Qemscan™ of six composite samples from diamond drilling core. Final report released on July 14, 2010
- ✓ Beginning of the metallurgical tests by SGS in their Lakefield laboratory, Ontario during the month of July 2010

As at June 30, 2010 the Corporation had incurred a cumulative amount of $2,685,641 in exploration work on the Whabouchi property.

Lac des Montagnes

Since January 15, 2010, date of the acquisition of this property, the following work has been done:

- ✓ MAG and EM heliborne surveys covering all the property have been done in March 2010 by GPR Geophysics International Inc. These surveys have covered 2,464.8 km of lines allowed to identify additional exploration targets.
- ✓ An advanced interpretation report has been produced by Mr. Marc Boivin P. Geo. on May 20, 2010.
- ✓ From May 12 to September 30, 2010, a prospection campaign aiming at identifying on the ground the magnetic and electromagnetic anomalies obtained from the 2010 heliborne survey, was conducted These works have allowed to discover a copper-nickel-gold zone named Duval.
- ✓ During the month of September 2010. 9 trenches were done on the Duval zone. These trenches at 50 m spacing, are perpendicular to the zone and cover about 400m of the mineralized zone identified over 530m long. On a total of 757m of trenches, 82.4m were channel sampled.

As at June 30, 2010, the Corporation has incurred a total of $284,561 in cumulative exploration expenditures on the Lac des Montagnes property.

Lac Levac

Since January 15, 2010, date of the acquisition of this property, the following work has been done:

- ✓ Compilation of the existing technical data and planning of diamond drilling to test the at depth extension of the mineralized zone of Nisk-1 deposit and exploration drilling of magnetic anomalies targets previously identified.
- ✓ Metallurgical recovery tests were conducted on the Nisk-1 deposit starting in June 2010 and are still in progress at SGS laboratory in Lakefield.

- ✓ 2 diamond drill holes aiming at confirming the plunge trend of the mineralized zone at depth on the Nisk-1 deposit were completed, for a total of 1,194m. 2 pulse EM survey were done in these holes.
- ✓ 2 diamond drill holes were done on the Ni-1 and Ni-2 targets located about 15km east of the Nisk-1 deposit.
- ✓ From May 12 to August 24, 2010, a prospection campaign aiming at identifying on the ground magnetic and electromagnetic anomalies was conducted this work covered the Ni-1 and Ni-targets. For 2 months, 2 teams of 2 geologists and 2 assistants have done prospection work on a zone covering about 1km in width by 21 km long.

As at June 30, 2010, the Corporation has incurred a total of $455,123 in cumulative exploration expenditures on the Lac Levac property.

Selected Financial Information

The following table summarizes selected key financial data for the years ended June 30, 2010, 2009 and 2008 and the balance sheets as of June 30, 2010, 2009 and 2008

Year ended June 30			
Earnings and comprehensive loss	**2010 ($)**	**2009 ($)**	**2008 ($)**
Interest income	4,206	97	259
Loss before income taxes	941,779	209,032	80,958
Net loss and comprehensive loss	879,544	280,082	80,958
Loss per share, basic and diluted	0.03	0.04	0.01
Balance sheet			
Cash, cash equivalents and short term investments	287,901	-	22,541
Working capital	580,510	(218,978)	(253,270)
Cash reserved for exploration	1,725,774	136,670	-
Total assets	11,644,100	1,484,371	923,429
Total liabilities	2,533,761	571,208	377,817
Shareholder's Equity	9,110,339	913,163	545,612

Cash and Financing sources

As at June 30, 2010, the total assets of the Corporation were at $11,644,100, an increase of $10,159,729$ compared to June 30, 2009. This increase is mainly due to the closing of the Corporation's initial public offering ("IPO") closed on December 31, 2009 and a private placement closed on June 30, 2010 that allowed the increase of the Cash and short terms investment by $277,901 to cover the general and administrative expenses and the Cash reserved for exploration to $1,589,104 ($136,670 as at June 30, 2009). Furthermore we note an increase of $3,870,000 in the Mining Properties account following the acquisition of the Lac and Lac des Montagnes properties from Golden Goose Resources Inc. ($3,150,000) as well as the acquisition of a group of 16 mining claims comprised in the Whabouchi property ($420,000) and the acquisition of rights in an option agreement on mining claims ($300,000), forming the Kativik property. However only an amount of $860,000 in cash was used for the acquisition of the mining properties and rights, the balance, totalling$ 3,010,000$ is the result of the issuance of common shares for $2,010,000 and a convertible debenture for $1,000,000.

The funds available to the Corporation at the end of the period in the Cash reserved for exploration are insufficient to complete its exploration budget planned for the current fiscal year. Funds available for general and administrative expenses are also insufficient for the current fiscal year. Additional funds will be required to maintain the actual level of activities for the coming year. Accordingly, the Corporation has signed on August 25th, 2010 a service agreement with Dundee Securities Corporation concerning issue of additional securities. On October 20, 2010 the Corporation has confirmed that it was proceeding, by a syndicate of agents (the "Agents") led by Dundee Securities Corporation and including Industrial Alliance Securities to a private placement of $6,500,000, comprised of 4,250,000 common share units ("Units") at a price of $0.40 per Unit and 9,600,000 flow through units ("FT Units") at a price of $0.50 per FT Unit. In addition, the Corporation has agreed to grant the Agents an over-allotment option, which will allow the Agents to purchase up to an additional 15% of the Offering in any combination of Units or FT Units at the respective issue price.
The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals Each Unit will be comprised of one common share of the Corporation and one common share purchase warrant (a "Warrant"). Each FT Unit will be comprised of one flow-through common share of the Corporation and one Warrant. Each full Warrant is exercisable for two years from the closing, at an exercise price of $0.55.

The Corporation's short term liabilities have increased by $46,516 since June 2009, mainly due to an increase of $296,516 of the accounts payables and accrued liabilities and a decrease of $250,000 of the short term debt.

Following the closing of its IPO on December 31, 2009 as well as the private placement closed June 30, 2010, Shareholder's equity increased, as of June 30, 2010, to $9,110,339, compared to $913,163 as of June 30, 2009, being an increase of $8,197,176.

Operating results for the quarter ended June 30, 2010

The results for the quarter show a loss before taxes of $271,143 ($25,267 for the same period in the previous year). The Corporation has no revenues from operations and its main expenses are the salaries of its officers, mining titles management fees and fees for professional services and consultants, general and administrative expenses for an amount totaling $132,465 ($19,059 in 2009) The expenses related to the stock exchange and the shareholders communications totaled $44,472 ($6,062 in 2009). In addition the Corporation has established a share based remuneration plan that created and expense of $76,279 ($0 in 2009). Finally, an interest expense in the amount of $19,945 ($0 in 2009) was recorded for the convertible debenture.

Operating activities for the period ended June 30, 2010

During the fourth quarter, cash flow used by operating activities amounted to $12,877. The operating activities were financed by the cash flow available following the closing of the IPO as well as the reimbursement of the Tax credits.

Financing activities for the period ended June 30, 2010

During the fourth quarter, the Corporation has issued new common shares for an amount of $2,223,132, net of the issue costs, of which $1,332,500 is Cash reserved for exploration.

Investing activities for the period ended June 30, 2010

During the fourth quarter, the investing activities were mainly deferred exploration expenses on the Whabouchi property in the amount of $689,475, of $435,549 on the Lac Levac property and of $218,109 on the Lac Arques and Lac des Montagnes properties.

Deferred exploration expenses for the quarter ended June 30, 2010

	Lac Arques ($)	Lac Levac ($)	Lac des Montagnes ($)	Whabouchi ($)
Balance as of March 31, 2010	**564,294**	**19,574**	**200,973**	**1,996,166**
Supervision and general expenses	952	2,896	1,127	4,254
Salaries and fringe benefits	21,465	59,933	37,896	75,550
Lodging and meals	19,775	31,258	19,579	75,065
Geology and geophysics	73,265	52,910	13,080	111,529
Test, sampling and prospecting	236	71,237	279	166,175
Drilling, equipment rental and other material	13,821	215,786	11,032	252,333
General exploration expenses	5,007	1,529	595	4,569
Increase for the quarter	134 521	435 549	83,588	689,475
Balance as of June 30, 2010	**698,815**	**455,123**	**284,561**	**2,685,641**

Operating results for the year ended June 30, 2010

Results for the year ended June 30, 2010

The results for the year show a loss before taxes of $941,779 ($209,032 for the previous year). The Corporation has no revenues from operations and its main expenses are the salaries of its officers, mining titles management fees and fees for professional services and consultants, totaling $222,638 ($170,832 in 2009), of general and administrative expenses for an amount totaling $235,064 ($28,060 in 2009). The expenses related to the stock exchange and the shareholders communications totaled $174,805 ($9,696 in 2009). In addition the Corporation has established a share based remuneration plan that created and expense of $274,809 ($0 in 2009). Finally, an interest expense in the amount of $36,383 ($0 in 2009) was recorded for the convertible debenture.

Operating activities for the year ended June 30, 2010

During the year, cash flow used for the operating activities amounted to $562,362. The operating activities were financed by the issuance of new shares and the reimbursement of the Tax credits in the amount of $170,896.

Financing activities for the year ended June 30, 2010

During the year, the Corporation has accepted subscription offers for Common shares in the amount of $3,824,788 and subscription offers in the amount of $5,157,560, before issue costs totalling $1,281,048. Finally, the Corporation has reimbursed an unsecured debt in the amount of $250,000.

Investing activities for the year ended June 30, 2010

During the year, the investing activities were mainly deferred exploration expenses on the Whabouchi property in the amount of $2,685,641, $455,123 on the Lac Levac property, $315,290 on the Lac Levac property and of $284,561 on the Lac des Montagnes and the acquisition, for an amount of $300,000, of rights in an option agreement o earn up to 50% interest in mining rights. Furthermore, the Lac Levac and Lac des Montagnes properties acquisition has been completed for a total consideration of $3,150,000 with a cash payment of $650,000, the issue of $1,500,000 in common shares and the issue of a convertible debenture in the amount of $1,000,000

Deferred exploration expenses for the year ended June 30, 2010	**Lac Arques ($)**	**Lac Levac ($)**	**Lac des Montagnes ($)**	**Whabouchi ($)**
Balance as of June 30, 2009	**381,947**	**-**	**-**	**-**
Supervision and general expenses	8,789	2,896	1,127	18,577
Salaries and fringe benefits	71,758	59,933	37,897	245,637
Lodging and meals	19,775	31,258	19,579	238,765
Geology and geophysics	155,656	66,195	214,052	223,913
Test, sampling and prospecting	18,905	77,525	279	362,685
Drilling, equipment rental and other material	32,931	215,787	11,032	1,569,561
General exploration expenses	9,054	1,529	595	26,503
Increase for the quarter	316,868	455,123	284,561	2,685,641
Balance as of June 30, 2010	**698,815**	**455,123**	**284,561**	**2,685,641**

Selected quarterly data

Operating results for each of the last 8 quarters are presented in the table below. The Corporation's management is of the opinion that the data related to these quarters were prepared in the same manner as that of the audited financial statements for the fiscal year ended June 30, 2010. Our external auditors have not reviewed our unaudited quarterly financial statements.

(in dollars, except for share)	2010		2009				2008	
	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30
Income	3,340	844	10	12	-	-	-	97
Loss before income taxes	271,143	514,768	70,399	85,469	25,267	40,445	102,860	40,460
Net loss and comprehensive loss	208,908	514,768	70,399	85,469	96,317	40,445	102,860	40,460
Loss per share – basic and diluted	0.006	0.021	0.004	0.006	0.012	0.005	0.013	0.005

Outstanding shares information (as of October 26, 2010)

	Oct. 26, 2010	June 30, 2010	March 31, 2010	Dec. 31, 2009	Sept. 30, 2009
Common shares outstanding	49,099,706	48,839,706	43,274,706	43,274,706	19,689,001
Number of weighted average of Common shares outstanding	42,671,401	32,460,190	24,413,428	16,948,433	9,721,814

Outstanding shares information (as of October 26, 2010) (suite)

	June 30, 2009	March 31, 2009	Dec. 31, 2008	Sept. 30, 2008
Common shares outstanding	13,000,001	7,875,001	7,875,001	7,575,001
Number of weighted average of Common shares outstanding	7,938,745	7,688,426	7,614,453	774,320

Outstanding share purchase options (as of October 26, 2010)

	Oct. 26, 2010	June 30, 2010	March 31, 2010	Dec. 31, 2009	Sept. 30. 2008 to Sept. 30, 2009
Options issued	3,475,000	3,200,000	2,512,500	1,375,000	1,375,000
Options exercisable	1,681,250	1,228,125	831,250	-	-
Average strike price	0.34	0.33	0.30	0.150	0.150

As at June 30, 2010, the Corporation had granted 3,200,000 options to purchase Common Shares. These options allow their holder to subscribe Common Shares at a price varying between $0.15 and $0.50 per Common Share until March 19, 2015, subject to the conditions established under the Common Share Stock Option Plan in case of departure or death.

Outstanding warrants (as of October 26, 2010)

	Oct. 26, 2010	June 30, 2010	March 31, 2010	Dec. 31, 2009	Sept. 30. 2008 to Sept. 30, 2009
Warrants issued	14,235,439	14,235,439	10,002,939	10,002,939	-
Warrants exercisable	14,235,439	14,235,439	10,002,939	10,002,939	-
Average strike price	0.65	0.65	0.67	0.67	-
Warrants issued to brokers	1,208,670	1,208,670	893,445	893,445	-
Warrants exercisable	1,208,670	1,208,670	893,445	893,445	-
Average strike price	0.55	0.55	0.59	0.59	-

As of June 30, 2010, the Corporation had issued 14,235,439 warrants and 1,208,670 warrants to brokers. Each warrant allows it holder to subscribe 1 common share at a price varying between $0.50 per share to $0.80 per share for a period of 2 years following their issue date.

Related Party Transactions and Commercial Objectives

During the year ended June 30, 2010, the Corporation incurred expenses for services rendered by executive officers of the Corporation. These services were rendered in the normal course of operations and were measured at the exchange amounts, being the amount agreed between the parties.

Years ending June 30	Twelve months		
	2010 ($)	2009 ($)	2008 ($)
Professional fees and wages towards it's President	111,276	73,369	32,452
Professional fees towards the President of the Board of Directors and towards other Board of Directors members	42,750	-	-
Professional fees towards its Chief Financial Officer	27,328	10,650	1,350

Off Balance sheet agreements

The Company hasn't concluded any off balance sheet agreements.

Obligations and contractual commitments.

The Company had the following commitments as of October 26, 2010:

Lac Arques Property

In May 2008, the Company signed an agreement to acquire a 100% interest in Arques property in the province of Quebec. This agreement was modified on November 5 and 12, 2008. In relation with this agreement, the Company issued 5,000,000 common shares and made payments amounting to $420,000.

The Company is also committed to pay to the vendor a maximum of $1,000,000 according to the achievement of certain stages of works and results on the property, which are defined as follows:

a. $50,000 if and when the Company will have realized a $2,500,000 minimum of exploration expenses on the property;
b. $150,000 if and when the Company will have realized $5,000,000 of cumulative exploration expenses on the property;
c. $300,000 at the obtaining of an independent pre-feasibility study; and
d. $500,000 at the obtaining of an independent feasibility study confirming the feasibility of production stage of the property.

As of June 30, 2010, the Corporation had realized exploration work totalling $998,752 (including $299,937 representing tax credits and mining rights receivable) on the Lac Arques Property.

In case of a commercial production on the Lac Arques Property, the Corporation has to pay to two of the vendors, including a related party to the Corporation, a total of 3% NSR on all metals produced from the property. According to the terms of the Lac Arques Purchase and Sale Agreement, the Corporation may, at any time before the expiry of a 3-month delay after declaration of production, reduce the NSR to 2 % by paying an amount of $1,000,000 in two equal instalments the first instalment payable at the date of exercise of the right and the second, at the latest 90 days from the first payment.

<u>Whabouchi Property</u>

The Company acquired, on September 18, 2009, a 100% interest in 16 mining claims include in the Whabouchi property. In relation with the agreement, the Company paid $210,000 in cash and issued 2,100,000 common shares.

The Company is also committed to pay to the vendor a maximum of $1,400,000 in cash and to issue a maximum of 1,400,000 common shares according to the achievement of certain stages of works and results on the property, which are defined as follows:

i. $100,000 and 100,000 common shares if and when the Company will have completed a minimum of $2,500,000 in exploration expenses on the property; This stage has been attained as of June 30, 2010, and therefore the payment and share issuance have been made at the beginning of July 2010.
ii. $100,000 and 100,000 common shares if and when the Company will have completed a minimum of $5,000,000 in exploration expenses on the property;
iii. $100,000 and 100,000 common shares if and when the Company will have completed a minimum of $7,500,000 in exploration expenses on the property;
iv. $100,000 and 100,000 common shares if and when the Company will have completed a minimum of $10,000,000 in exploration expenses on the property;
v. $100,000 and 100,000 common shares if and when the Company will have completed a minimum of $12,500,000 in exploration expenses on the property;
vi. $100,000 and 100,000 common shares if and when the Company will have completed a minimum of $15,000,000 in exploration expenses on the property;
vii. $300,000 and 300,000 common shares if an independent pre-feasibility study is obtained; and
viii. $500,000 and 500,000 common shares if an independent feasibility study confirming the feasibility of production stage of the property is obtained.

The Corporation has also agreed that if it decides to transfer the Whabouchi Property to a subsidiary in order to complete a spin-off of that asset, the vendor will receive 10% of the consideration received by the Corporation, subject to a minimum of $100,000, and 1,000,000 shares of the subsidiary.

As of June 30, 2010, the Corporation had realized cumulative exploration expenses totalling $2,685,641 on the Whabouchi Property, of which a cumulative amount of $2,656,302 is related to the group of 16 claims purchase agreement dated September 18, 2009.

In case of commercial production on any of the 16 claims acquired, the Corporation has to pay a 3 % NSR royalty on all metals. The Corporation has the option at any time before expiry of 3 months after beginning of commercial production, to buy 1 % NSR for an amount of $1,000,000.

Lac Levac and Lac des Montagnes

The Corporation has closed, on January 15, 2010, the acquisition of 100% interest in Lac Levac and Lac des Montagnes properties (the properties) owned by the public company Golden Goose Resources Inc. ("Golden Goose"). The Corporation has paid $650,000 in cash and has issued 4,285,714 common shares, accompanied by share purchase warrants allowing to subscribe 4,285,714 shares at a price of $0.50 until December 31, 2011. These shares and share purchase warrants are subject to an escrow agreement and will be released over a 36 month period

In addition, the Corporation has issued a $1,000,000 debenture having the following attributes:

- 8% annual interest rate, payable in cash at each anniversary date of issuance of the debenture;
- secured by a first rank hypothec on claims #1134013, #1134014 and #1134015;
- convertible at any time in shares of the Corporation at a price of $0,50, each share accompanied by a share purchase warrant allowing for the subscription of an additional share at a price of $,80 until January 15, 2012.
- refundable for $500,000 on the 18th month following the issuance of the debenture and for another $500,000 on the 36th month following the issuance of the debenture;
- redeemable at any time (other than the two dates referred above) at 110% of any outstanding principal amount (plus unpaid and accrued interest thereon).

As of June 30, 2010, the Corporation has incurred cumulative exploration expenses totalling $739,684 on the Lac Levac and Lac des Montagnes properties.

Finally, Golden Goose will keep a 2% NSR royalty and 1% will be redeemable for an amount of $1,000,000 in cash within a three year period following the acquisition.

Lease

In October 2009, the Corporation signed a two year lease agreement for its office space for a monthly amount of $950. That lease will terminate in September 2011.

Additional information required from Junior issuers with no significant income

The Corporation reports the information on its Deferred exploration expenses in note 6 of its audited annual financial statements for the year ended June 30, 2010.

The Corporation has no research and development expenses.

The Corporation has no other deferred expenses than those related to its mining properties and explorations expenses.

The general and administrative expenses for the year ended June 30, 2010 as well as for the two previous years are made of the following expenses:

General and administrative expenses for the year ended June 30			
	2010 ($)	**2009 ($)**	**2008 ($)**
Representation, trips and promotion	59,512	4,050	2,652
Vehicles expenses	6,500	3,591	2,795
Office supplies and mailing	13,371	1,261	1,356
Insurances, taxes and permits	13,396	7,388	794
Publicity, promotion and training	60,502	933	
Lease	8,042	---	---
Mining titles management	19,385	4,037	---
Telecommunications	8,554	3,545	1,219
Fees and expenses of the outside directors	43,647	------	----
Interests and bank fees	2,155	3,255	197
Total	**235,064**	**28,060**	**9,013**

Financing sources

Date	Type	Financings	Amount ($)	Use of proceeds
July to November 2009	Private Placements	Common shares	960,188	General administrative expenses and mining properties acquisition
		Flow-through shares	352,900	Exploration work on the Whabouchi property
December 31, 2009	Prospectus, Initial public offering	Common shares	1,754,600	General administrative expenses and mining properties acquisition
		Flow-through shares	3,472,160	Exploration work on the Whabouchi property and on the Lac Levac, Lac Arques and Lac des Montagnes properties.
June 30, 2010	Private Placements	Common shares	1,160,000	General administrative expenses
		Flow-through shares	1,332,500	Continue exploration work on the Whabouchi property and on the Lac Levac, Lac Arques and Lac des Montagnes properties.

Significant accounting policies

Financial statements presentation

The financial statements were prepared in accordance with Canadian GAAP.

Flow-through Shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Shares issued through flow-through financing are recorded at their selling price. Under the terms of the flow-through share agreements, the tax benefits of the exploration expenses are renounced in favour of the investors. The Company records the tax effect related to renounced deductions on the date that the Company renounces the deductions to investors provided there is reasonable assurance that the expenses will be incurred.

Fair Value of the Warrants

Proceeds from placements are allocated between shares and warrants issued according to their relative fair value on a pro-rata basis using the Black-Scholes method to determine the fair value of warrants issued.

Share Issuance Expenses

Share issuance expenses are recorded as an increase of the deficit in the year in which they are incurred.

Accounting Estimates

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Significant estimates include the carrying value of mining properties and deferred exploration expenses, calculation of amortization of fixed assets and calculation of stock-based compensation expenses. Actual results may differ from those estimates.

Mining Properties and Deferred Exploration Expenses

Costs related to the acquisition, exploration and development of mining properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized according to the unit of production method. If it is determined that capitalized acquisition, exploration costs are not recoverable over the estimated economic life of the property, or if the project is abandoned, the project is written down to its net realizable value. The Company's management reviews the carrying values of assets on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining properties and deferred exploration expenses depends on the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. The amounts shown for mining properties and deferred exploration expenses do not necessarily represent present-time or future values.

Stock-based Compensation and Other Stock-based Payments

The Company accounted for in earnings stock-based compensation provided to employees and directors, and stock-based payments to non-employees, using the fair value-based method. The fair value of stock options at the grant date is determined according to the Black-Scholes option pricing model. Compensation expenses are recognized over the vesting period of the stock options.

Future Income and Mining Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the enactment date. The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future tax assets will not be realized.

Change in accounting policies

Financial Instrument - Disclosures

During the year, in accordance with the applicable transitional provisions, the Company adopted revised section 3862 of the CICA Handbook, "Financial Instruments-Disclosures". This section was amended to enhance disclosures about fair value measurements and the liquidity risk of financial instruments. All financial instruments recognized at fair value on the balance sheet must be classified in three fair value hierarchy levels, which are as follow:

1. Level 1: valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
2. Level 2: valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable;
3. Level 3: valuation techniques with significant unobservable market inputs.

The results of the application of these new standards are included in note 15 and their application did not have a significant impact on the Company's financial statements.

Goodwill and Intangible Assets

During the year, the Company adopted Section 3064 "Goodwill and Intangible Assets". The new section states that upon their initial identification, intangible assets are to be recognized as assets only if they meet the definition of an intangible asset and the recognition criteria. As for subsequent measurement of intangible assets, goodwill and disclosure, Section 3064 carries forward the requirements of the old Section 3062 "Goodwill and Other Intangible Assets".

The adoption of these recommendations did not have effect on the Company's financial statements

Future Accounting Changes

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued three new accounting standards: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-controlling interests". These new standards will be effective for years beginning on or after January 1st, 2011. The Company is in the process of evaluating the requirements of these new standards.

Section 1582 replaces Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, "Business Combinations". The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting year beginning on or after January 1st, 2011. Sections 1601 and 1602 together replace Section 1600, "Consolidated Financial Statements". Section 1601, establishes standards for the preparation of consolidated financial statements. It applies to interim and annual consolidated financial statements relating to years beginning on or after January 1st, 2011.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements" and applies to interim and annual consolidated financial statements relating to years beginning on or after January 1st, 2011.

International Financial Reporting Standards (IFRS)

The CICA plans the convergence of Canadian generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS) on a transition period ending in 2011. The Company will adopt the IFRS for interim financial statement that will end on September 30, 2011. The Company expects this transition to have an effect on its accounting methods, presentation of financial information and information systems. The Company is currently going through the assessment and evaluation phase of its IFRS implementation project to determine the effect on its processes, systems and financial statements upon adoption.

Other New Standards

Other new standards have been published but they should not have a significant impact on the Company's financial statements.

Risks and Uncertainties

The acquisition of securities of the Corporation should be considered highly speculative with important risks of which, but not limited to:

Properties titles

According to the mining law and regulations of the Province of Quebec, the Corporation, to renew its claims, must do a minimum of $1,200 in exploration expenditures and pay $52 per claim for every 2 year period. The next renewals to come between the date of this MD&A and June 30, 2011, cover 316 claims within the Lac Arques, Lac des Montagnes and Lac Levac properties. To renew these claims for an additional 2 year period, exploration expenditures for an amount of approximately $390,200 will have to be incurred and mining rights in the amount of $16,770 will have to be paid. As of this date, most of these required exploration expenditures have been done or are being done.

Additional financing

In the future, additional funds will be required to finance the exploration or development work on the Corporation's properties, to pay for the renewal of the claims forming the properties and to cover the costs of managing the Corporation. The main sources of funds available to the Corporation are the issuance of additional shares, the borrowing of money or the sale of interests in its properties. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation.

Conditions of the industry in general

The exploration and development of mineral resources involves significant risks that even an allied neat evaluation with experiment and know-how cannot avoid. Although the discovery of a deposit can prove extremely lucrative, few properties where exploration and development work are carried out become producing mines thereafter. Important expenditures are necessary to establish ore reserves, to work out the metallurgical processes and to build the mining plant on a particular site. It is impossible to provide assurance to the effect that the exploration and development programs contemplated by the Corporation will generate a profitable mine.

Economic viability of a mineral deposit depends on many factors, of which some are due to the particular characteristics of the deposit, in particular its size, its content and its proximity with the infrastructures as well as the cyclic character of the prices of metals and the governmental regulations, the royalties, the limits of production, the import and export of minerals and the protection of the environment. The impact of these factors cannot be evaluated in a precise way, but their effect can make so that the Corporation does not provide an adequate return of the funds invested.

The mining activities comprise a high level of risks. The activities of the Corporation are subject to all the dangers and the risks usually dependent on the exploration and the development, including the unusual and unforeseen geological formations, explosions, collapses, floods and other situations which can occur during drilling and the removal of material and of which any could cause physical or material or environmental injuries and, possibly, legal responsibility.

Governmental regulation

The activities of the Corporation are subject to various federal, provincial and local laws, which relate to the exploration and development, taxes, standards of work, diseases and the occupational safety, the safety in mines, toxic substances, the protection of the environment and others. The exploration and the development are subject to legislative measures and lawful with the federal, provincial and local levels relating to the protection of the environment. These laws impose high standards on the mining industry, in order to control the rejects of waste water and to force the participants to account for such controls to the lawful authorities, to reduce or eliminate the impact that are generated by certain production activities; extraction and of treatment and which are later on deposited on the ground or are rejected into the air or the water, to complete work of restoration of the mining properties, to control dangerous waste and materials and to reduce the risk of industrial accidents. The defect to conform to the above-mentioned legislative measures can involve important fines and other penalties.

Risks of lawsuits and no insurable risks

The Corporation could be held responsible for pollution or for other risks against which it could not be insured or against which it could choose not to be insured, being given the high cost of the premiums or for other reasons. The payment of sums in this respect could involve the loss of the assets of the Corporation.

Conflicts of Interest

Some of the directors and officers of the Corporation are engaged as directors or officers of other corporations involved in the exploration and development of mineral resources. Such engagement could result in conflict of interest. Any decision taken by these directors and officers and involving the Corporation will be in conformity with their duties and obligations to compromise in an equitable way and in good faith with the Corporation and these other corporations. Moreover, these directors and officers will declare their interest and will abstain to vote on any question which could give place to a conflict of interest.

Permits, licences and authorizations

The activities of the Corporation require obtaining and maintaining permits and licences from various governmental authorities. The Corporation considers that it holds all the permits and licences required for its activities; it currently carries on, in accordance with the relevant laws and by-laws. Changes brought to the by-laws could affect these permits and licence. Nothing guarantees that the Corporation can obtain all the permits and all the necessary licences in order to continue its mining activities, to build mines or mining plants and to begin the exploitation of its exploration properties. Moreover, if the Corporation begins the exploitation of an exploration property, it will have to obtain the necessary permits and licences and to conform to all the required obligations concerning the use of water, removal of waste etc. It cannot be guaranteed that the Corporation will be able to obtain these permits and licences, nor that it will be able to conform to their requirements.

Dependence on the management

The Corporation is dependent towards certain persons of its management. The loss of their services could have an unfavourable impact on the Corporation

Territorial claims

The properties in which the Corporation holds an interest are not currently subject to territorial claims on behalf of first nations. No insurance can however be provided to the effect that such will not be the case in the future.

Price of metals

The price of the common shares, financial results of the Corporation like its exploration and development activities; could undergo in the future, important negative effects because of the fall of the prices of metals, resulting in an impact on the capacity of the Corporation to finance its activities. The prices of metals fluctuate in an important way and are tributary to various factors which are independent of the will of the Corporation, such as the sale or the purchase of metals by various brokers, central banks and financial institutions, the rates of interest, foreign exchange rates, the rates of inflation, of deflation, the fluctuations in the value of the Canadian dollar and the currencies, the regional and world offer and demand, the economic conjuncture and policy which prevails in the countries of the world which are large metal producers. The prices of metals largely fluctuated these last years and any serious fall could prevent the continuation of the development activities of the properties of the Corporation.

Additional Information and Continuous Disclosure

This MD&A was prepared as of October 26, 2010. Additional information, including the technical reports mentioned herein, can be found on the website www.sedar.com.

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