NV GOLD CORPORATION

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011

The following management discussion and analysis for *NV Gold Corporation* ("the Company") is prepared as of **December 21, 2011** and should be read together with the audited consolidated financial statements for the year ended August 31, 2011 and related notes attached thereto (financial statements), which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR under the Company's profile at www.sedar.com and on the Company's website at www.nvgoldcorp.com.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Description of Business

NV Gold Corporation (the "Company") was incorporated under the laws of the province of British Columbia on May 23, 2007. The Company's principal business activity is the identification, acquisition and exploration of mineral properties in the United States and Europe. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol NVX.

The consolidated financial statements contained herein include the accounts of the Company and its wholly owned subsidiary, NV Gold Corporation (USA) ("NV Gold USA"). All inter-company balances and transactions have been eliminated upon consolidation.

The Company is in the process of exploring and developing its mineral properties in the United States and Europe and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the mineral properties and upon future profitable production.

Mineral Properties

Medel Exploration Permit, Switzerland

The Company completed a purchase and sale agreement on October 21, 2011, originally dated August 31, 2011, for the Medel Exploration Permit ("Medel Permit") located within the community of Medel/Lucmagn, in the Canton of Graubunden, in eastern Switzerland. The Medel Permit will be for the exploration for gold and precious metals covering a total area of approximately 136 square kilometers. The property is located in the Alps in a sparsely populated area.

Afgan-Kobeh Property, Nevada, USA

The Company has an agreement with Gold Standard Royalty (Nevada) Inc., ("Gold Standard") to acquire a 100% interest in the Afgan-Kobeh project located in Eureka County, Nevada. The Afgan-Kobeh project covers approximately 2,180 acres and consists of 109 unpatented claims. In 2004, Castleworth Ventures Inc. reported a NI 43-101 compliant resource estimate in respect of the property comprising an indicated gold resource of 50,000 ounces (1.85 million tons at an average grade of 0.027 oz Au/ton (0.926 g Au/t)) and an inferred gold resource of 34,000 ounces (1.29 million tons at an average grade of 0.026 oz Au /ton (0.891 g Au/t)) using a cut-off of 0.010 oz Au/ton (0.343 g Au/t), based on 145 drill holes completed prior to 1998. The historic report also recommends exploration of several targets established from the accumulation of earlier work. This project is located in northeastern Nevada, approximately 28 miles northwest of the town of Eureka along the Battle Mountain-Eureka Trend (also referred to as the Cortez Trend).

An updated NI 43-101 compliant resource estimate on the Afgan-Kobeh Property was released on June 13, 2011. The resource estimate was prepared by Michael M. Gustin, P. Geo. of Mine Development Associates, of Reno, Nevada, an independent consultant for the Company. Estimated resources using a cutoff value of 0.006 oz Au/ton were as follows: Indicated gold resource of 66,000 ounces (3.20 million tons at an average grade of 0.021 oz Au/ton) and an inferred gold resource of 55,000 ounces (3.97 million tons at an average grade of 0.014 oz Au /ton). The complete technical report is available for view under the Company's profile on SEDAR.

Roberts Gold Property, Nevada, USA

The Company has a mining lease agreement for the Roberts Gold Property which comprises an aggregate of 104 unpatented claims covering approximately 2,080 acres. The property is contiguous to and north of the Company's Afgan-Kobeh Property.

Shamrock (Cobre) Copper Property, New Mexico, USA

During fiscal 2010, the Company entered into a ten year lease with MinQuest, Inc. of Reno, Nevada on the Shamrock (Cobre) copper project located in Grant County, New Mexico, USA pursuant to which the Company paid $60,858 (US$60,000) and incurred exploration expenditures of $140,424. During the year ended August 31, 2011, the Company determined that the project was not economically feasible and abandoned its plan to develop the project. As a result, it charged $201,282 in costs incurred on the project to operations.

Overall Performance

As at August 31, 2011, the Company had $939,896 (2010 - $655,573) in cash and working capital was $826,869 (2010 - $603,548). The Company incurred a net loss of $854,560 (2010 - $1,000,494) during the year ended August 31, 2011. Included in this is a foreign exchange loss of $35,462 (2010 - $20,202), interest income of $5,439 (2010 - $1,648) earned on funds held at the bank and $201,282 (2010 - $483,319) charged to operations on the write-off of the Shamrock Property. The Company has increased the level of exploration activity since completing its qualifying transaction.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	Year ended August 31, 2011	Year ended August 31, 2010	Period from incorporation on July 10, 2009 to August 31, 2009
Total interest income	$ 5,439	$ 1,648	$ -
Net loss and comprehensive loss	(854,560)	(1,000,494)	(35,876)
Basic and diluted earnings (loss) per share	(0.05)	(0.08)	(0.01)
Total assets	2,282,381	1,166,778	233,257
Total long-term liabilities	-	-	-

During the current fiscal year, the Company completed a private placement by issuing 5,597,334 common shares for total gross proceeds of $1,679,200. The Company also issued 340,300 common shares for gross proceeds of $136,120 from the exercise of warrants and agent's warrants. The Company incurred the following capitalized expenditures on its mineral properties: $128,156 on the Shamrock Property, $702,051 on the Afgan-Kobeh Property and $152,901 on the Roberts Gold Property. In addition to this, the Company relinquished its interest in the Shamrock Property and as a result, $201,282 in mineral property acquisition and exploration costs were charged to operations during the current fiscal year.

On November 23, 2009, the Company completed its qualifying transaction, as described in Note 3 of the audited consolidated financial statements for the year ended August 31, 2011. The Company completed a brokered and non-brokered private placement issuing 5,093,500 common shares for total gross proceeds of $1,273,375. The Company increased its assets through acquisition and option agreements of various mineral properties in Nevada and New Mexico. The Company incurred the following capitalized expenditures: $73,126 on the Shamrock Property, $382,712 on the Afgan-Kobeh Property and $24,981 on the Roberts Gold Property. In addition to this, the Company also relinquished its interest in the Fisher Canyon Property. As a result, $483,319 in mineral property acquisition and exploration costs were charged to operations during the 2010 fiscal year.

During the period from incorporation to August 31, 2009, the Company issued 4,600,000 common shares for gross proceeds of $229,998. The Company entered into a purchase and sale agreement to acquire a 100% interest in the Fisher Canyon Claims located in Rochester Mining District, Pershing County, Nevada. The Company also entered into an exploration and mining lease agreement to conduct exploration activities on the Cow Canyon North Claims located in Pershing County, Nevada. As at August 31, 2009, the Company had incurred $129,707 in mineral property and deferred exploration costs.

The Company has not paid any dividends and it has no present intention of paying dividends on its common shares as it anticipates all available funds will be invested to finance the growth of its business.

Other Events and Transactions

The following is a summary of significant events and transactions that occurred during the year ended August 31, 2011:

1. Commenced and completed a 2,355 metre 25 hole reverse-circulation (RC) drill program on the Afgan-Kobeh gold project. Drift Exploration Drilling was contracted to carry out RC drill program. Drill samples collected were submitted for analysis to ALS Chemex of Reno, Nevada. On December 16, 2010, the Company reported the results which included 18.2 metres of 4.2 grams per ton gold and 57.6 metres of 0.776 grams per ton gold. Additional details are available in the December 16, 2010 press release. The objective of the drill program, which consisted of testing new targets, infill drilling and step-out drilling was the expansion of the NI 43-101 compliant gold resource of 50,000 ounces Indicated (1.85 million tons at 0.027 ounce per ton gold (0.926 gram per ton gold)) and 34,000 ounces Inferred (1.29 million tons at 0.026 ounces per ton gold (0.891 gram per ton gold)).

2. Completed the lease of the Roberts Gold Property located in Eureka County, Nevada effective October 26, 2010. The Company paid US$10,000 as an advance royalty payment on the date the lease agreement became effective and issued 250,000 units to terminate certain area of interest obligations to a third party. Each unit consisted of one common share and one warrant exercisable at $0.40 until October 26, 2012.

3. Implemented a Whistleblower Policy in order to satisfy it obligations under Multilateral Instrument 52-101.

4. On November 23, 2010, 840,000 common shares were released from escrow. An additional 840,000 common shares were released from escrow on May 23, 2011.

5. Held its Annual General Meeting on January 25, 2011. All proposed resolutions were passed.

6. On March 2, 2011, the Company announced that it had retained the services of Leo Karabelas of Frontline Communications of Toronto, Ontario, to provide various investor relations consulting services for and on behalf of, the Company in connection with the Company’s interactions with media, broker-dealers, securities advisors, investment funds and members of the investment community. The retainer is for a period of twelve months at $4,000 (plus HST) a month and may be renewed for successive six month terms by the parties. The Company also granted 100,000 stock options to Mr. Karabelas which are exercisable at $0.35 per share until March 2, 2016.

7. On March 3, 2011, the Company completed the first tranche of a non-brokered private placement for 2,264,000 units (the “Units”) at $0.30 per Unit, for gross proceeds of $679,200. Each Unit was comprised of one common share and one-half of one non-transferable share purchase warrant which are exercisable at $0.40 per share until September 3, 2012. The Company paid a finder’s fee of $3,000 in connection with certain subscriptions under the private placement.

   The second tranche of the non-brokered private placement, consisting of 3,333,334 Units for gross proceeds of $1,000,000 was completed on May 9, 2011. Each Unit was comprised of one common share and one-half of one non-transferable share purchase warrant which are exercisable at $0.40 per share until November 9, 2012.

8. Released an updated NI 43-101 compliant resource estimate on the Afgan-Kobeh Property dated June 13, 2011. The resource estimate was prepared by Michael M. Gustin, P. Geo. of Mine Development Associates, of Reno, Nevada, an independent consultant for the Company. Estimated resources using a cutoff value of 0.006 oz Au/ton were as follows: Indicated gold resource of 66,000 ounces (3.20 million tons at an average grade of 0.021 oz Au/ton) and an inferred gold resource of 55,000 ounces (3.97 million tons at an average grade of 0.014 oz Au /ton). The complete technical report is available for view under the Company's profile on SEDAR.

9. Commenced a drill program on the Afgan-Kobeh Property during Summer 2011. The program will focus on expansion of the recently updated NI 43-101 compliant resource estimate.

Subsequent Events

Subsequent to August 31, 2011 the Company:

i) Incorporated a wholly owned subsidiary, SwissGold Exploration AG ("SwissGold"), on September 28, 2011, in Switzerland.

ii) Completed a purchase and sale agreement on October 21, 2011, originally dated August 31, 2011, for the Medel Exploration Permit ("Medel Permit") located within the community of Medel/Lucmagn, in the Canton of Graubunden, Switzerland. The vendor has a 100% interest in an exploration permit for gold, precious metals and other ores (the "Permit"), subject to 1% net smelter returns royalty. The vendor transferred the Permit to the Company's wholly owned Swiss subsidiary, SwissGold. As consideration, the Company issued 250,000 units to the vendor, where each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable into one common share at $1.00 per common share until October 21, 2014. The expiry of the warrants are subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed $2.00 for twenty consecutive trading day, the Company may notify the holder that the warrants will expire 30 trading days from receipt of such notice unless exercised before such date.

iii) Received regulatory approval for a data acquisition and finder's fee agreement with regards to the Medel Permit originally entered into on July 22, 2011. The Company issued 265,000 common shares and paid 40,000 Swiss francs for all data related to the Medel Permit. The Company also issued 35,000 common shares as a finder's fee regarding the Medel Permit.

iv) Granted 775,000 stock options to directors, officers and consultants. The stock options are exercisable at $0.40 per share expiring October 27, 2016.

v) Effective October 26, 2011, the Company appointed Paul Zyla to its Board of Directors and appointed David Bell as a technical advisor to the Company.

vi) On November 23, 2011, 840,000 common shares were released from escrow leaving a balance of 1,680,000 still in escrow.

Mineral Property Update

<u>Afgan-Kobeh Property</u>

Commenced and completed a 25-hole, 2,355-metre reverse-circulation drill program. The program focused on the expansion of the NI 43-101 compliant gold resource. Assays results were announced on December 16, 2010. Hole AF10-01, which was sited to offset a historical hole, intersected a down-dropped structural block of higher-grade mineralization that remained open to the south, returned the best intercept of the program, yielding 18.2 metres grading 4.2 gpt Au, including 7.6 metres of 5.49 gpt. For additional details refer to the news release from December 16, 2010.

A second drill program commenced during Summer 2011 with results being announced on November 18, 2011. The Company completed a 23-hole, 2,560 meter reverse circulation drill program. Highlights from this program include hole 11-22, which returned 4.049 g Au/t over 16.80 meters (0.118 oz Au/ton over 55 feet), including 6.735 g Au/t over 9.1 meters (0.197 oz Au/ton over 30 feet). The objectives of this drill program were to perform infill and step-out drilling on the Afgan portion of the property and the testing of new targets on the Kobeh portion.

Several holes yielded results that warrant follow-up with future drilling. For additional details, refer to the November 18, 2011 news release.

Medel Exploration Permit

On December 16, 2011, the Company announced the completion of the field portion of its 2011 Surselva gold exploration program in Canton Graubunden, southeastern Switzerland. Primary exploration was on the Medel Permit area. A total of 309 rock samples were collected, both on the Medel Permit area and adjacent ground. Additionally, a soil geochemical program was completed, with soil samples collected at 50-meter spacings on 11 sample lines for a total of 279 samples testing 13.4 line kilometres. All rock and soil samples have been submitted to ALS Scandinavia AB in Pitea, Sweden, for sample preparation and analysis. Analytical work remains incomplete to date. The Company expects to release sampling results in February 2012.

Company technical personnel are currently compiling historical exploration information and results from the 2011 field program into a Geographical Information System for critical interpretation. The Company anticipates an aggressive exploration program on the Surselva project in 2012, likely to include continuing geological reconnaissance, geochemical surveys, and diamond core drilling.

A National Instrument 43-101 Technical Report on the Surselva project is currently being prepared by Mine Development Associates, "MDA" of Reno, Nevada.

Summary of Quarterly Results

	Three month period ended August 31, 2011	Three month period ended May 31, 2011	Three month period ended February 28, 2011	Three month period ended November 30, 2010
Total assets	$ 2,282,381	$ 2,630,907	$ 2,393,527	$ 1,219,088
Working capital	826,869	1,518,599	1,384,948	299,004
Shareholders' equity	2,140,246	2,581,786	2,259,487	1,116,645
Interest income	298	611	295	4,235
Net income (loss)	(448,768)	(166,062)	(167,358)	(72,372)
Loss per share	(0.02)	(0.01)	(0.01)	(0.01)

	Three month period ended August 31, 2010	Three month period ended May 31, 2010	Three month period ended February 28, 2010	Three month period ended November 30, 2009
Total assets	$ 1,166,778	$ 1,121,289	$ 1,597,774	$ 1,815,301
Working capital	603,548	982,762	1,080,223	1,217,482
Shareholders' equity	1,108,857	1,050,221	1,573,370	1,670,079
Interest income	760	365	462	61
Net income (loss)	3,665	(546,674)	(99,446)	(358,039)
Loss per share	(0.00)	(0.04)	(0.01)	(0.03)

The Company completed its qualifying transaction through a reverse takeover of NV Gold USA on November 23, 2009. The Company completed a brokered and non-brokered private placement issuing 5,093,500 common shares for total gross proceeds of $1,273,375 in November 2009. The Company paid the agent a commission of $60,000, a corporate finance fee of $5,000, and an administration fee of $5,000 and other expenses of $18,972. The Company also issued 260,000 agent's warrants and 141,080 common shares as finder's fees. The Company expanded its exploration program on the Fisher Canyon claims in Nevada and then subsequently decided to relinquish its interest in the Fisher Canyon Claims. As a result, $483,319 in acquisition and exploration costs were charged to operations during the fiscal year ended 2010.

During the year ended August 31, 2011, the Company incurred $757,088 in exploration related expenditures on its mineral properties which is comprised of $98,480 on the Shamrock Property, $603,131 on the Afgan-Kobeh Property and $55,477 on the Roberts Gold Property. The Company also incurred $226,020 in mineral property acquisition costs which is comprised of $29,676 for the Shamrock Property, $98,920 for the Afgan-Kobeh Property and $97,424 for the Roberts Gold Property.

During the year ended August 31, 2011, the Company received gross proceeds of $1,815,320 from the issuance of 5,597,334 common shares from a non-brokered private placement, 270,000 common shares from the exercise of warrants and 70,300 common shares from the exercise of agent's warrants.

Results of Operations

Year ended August 31, 2011

During the year period ended August 31, 2011, the Company had a net loss and comprehensive loss of $854,560 (2010 - $1,000,494). The net loss and comprehensive loss is comprised of some of the following items:

- Advertising and promotion costs of $43,689 (2010 - $29,704) are related to press release dissemination and fees paid to third parties to increase the Company's awareness about the Company's projects.
- Consulting fees of $267,416 (2010 - $77,668) have increased over the comparative period because two directors are charging consulting fees and independent consultants have charged fees for services provided. During the comparative period, only the Company's president and a director charged consulting fees.
- Office and general costs of $73,129 (2010 -$23,745) have increased because the Company's activities have increased which also includes office rent of $10,151 (2010 - $7,134).
- Professional fees of $154,947 (2010 - $142,699) are comprised of $97,272 (2010 - $78,800) for legal and $57,675 (2010 - $63,899) for audit and accounting fees. As the Company's activity has increased, professional fees have increased accordingly.
- Registration and filing fees of $11,486 (2010 - $9,274) consist of ongoing regulatory fees associated with maintaining public company status.
- Stock-based compensation, a non-cash expense, of $20,827 (2010 - $192,547) relates to the fair value assigned to 100,000 (2010 - 1,025,000) stock options granted to directors, officers and a consultant. The fair value was calculated using the Black-Scholes option pricing model.
- Transfer agent fees of $7,637 (2010 - $6,737) are consistent with the comparative period.
- Travel and related costs of $38,416 (2010 - $14,828) relate to directors and officers travelling on Company related matters.
- The Company had a foreign exchange loss of $35,462 (2010 - $20,202). The Company has substantial assets and expenses in US Dollars which are converted to Canadian Dollars for financial reporting purposes. The Canadian Dollar has appreciated in value when compared to the US Dollar.
- Earned interest income of $5,439 (2010 - $1,648) on funds held in the bank.
- Write-off of mineral property and deferred exploration costs of $201,282 (2010 - $483,319) on the Shamrock Property (2010 - Fisher Canyon Property) were charged to operations during the comparative period.

Fourth quarter ended August 31, 2011

The Company had a net loss of $448,768 for the three month period ended August 31, 2011 (2010 - $3,665 (net income)). This result is skewed when compared to the prior quarters because of various year end audit adjustments made during the current quarter. Some of the significant expense items are as followings:

- Advertising and promotion costs $12,284 (2010 - $23,273) are related to the dissemination of press releases and fees paid to third parties to increase the Company's awareness about its projects.

- Consulting fees of $132,372 (2010 - $23,805) were paid to the Company's president, directors of the Company and independent consultants providing services to the Company.

- Office and general costs of $52,923 (2010 -$13,291) have increased because the Company's activities have increased which includes office rent of $2,465.

- Professional fees of $79,412 (2010 - $48,460) have increased over the comparative period due to the increase in activity since completing the qualifying transaction.

- Travel and related costs of $12,535 (2010 - $4,010) are have increased over the comparative period due to the Company's President travelling on Company related matters.

- Earned interest income of $298 (2010 - $760) on funds held in the bank.

- Recognized a foreign exchange gain of $51,847 (2010 - $25,316 (loss) due to various year end adjustments made during the fourth quarter.

Related Party Transactions

The Company entered into the following transactions with related parties during the year ended August 31, 2011:

i) Paid or accrued $84,810 (2010 - $75,787) in consulting fees and $10,151 (2010 - $7,134) in office and general costs to a director of the Company.

ii) Paid or accrued $18,000 (2010 - $Nil) in consulting fees to a company controlled by a director of the Company.

iii) Paid or accrued $Nil (2010 - $1,800) in consulting fees to a director of the Company.

iv) Paid or accrued $34,315 (2010 - $28,373) in professional fees to a company controlled by an officer of the Company.

v) Paid or accrued $22,356 (2010 - $10,610) in geological consulting fees and $5,539 (2010 - $Nil) in property investigation costs to a director of the Company.

Included in accounts payable and accrued liabilities is $6,999 (2010 - $5,000) due to the above related parties.

The related party transactions have been in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related party.

Liquidity and Capital Resources

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

	August 31, 2011	August 31, 2010
Working capital	$ 826,869	$ 603,548
Deficit	(1,890,740)	(1,036,180)

Net cash used in operating activities for the period was $652,671. This amount consists of a net operating loss of $854,560 (2010 - $1,000,494), items not affecting cash of $222,109 consisting of $20,827 for stock based compensation and $201,282 as a write-off of mineral property and deferred exploration costs, an increase in accounts receivable of $17,376, an increase in prepaid expenses of $5,836 and an increase of $2,992 in accounts payable and accrued liabilities. During the comparative period, net cash used in operating activities was $298,699.

Net cash used in investing activities for the period was $847,968 which is comprised of $821,726 for mineral property and deferred exploration costs and $26,242 for the acquisition of reclamation bond. During the comparative period investing activities provided net cash of $133,615.

Financing activities provided net cash of $1,784,962 (2010 - $726,609) which is comprised of $1,815,320 received in gross proceeds from the issuance of common shares from a private placement and exercise of warrants and payment of $30,358 in share issue costs. During the comparative period net cash provided by financing activities provided net cash of $726,609.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company’s shareholders and may result in dilution to the value of such interests.

The Company’s revenues, if any, are expected to be in large part derived from the mining and sale of precious minerals or base metals or interests related thereto. The economics of developing and producing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined and the prices of minerals and metals. Depending on the foregoing, the Company may determine that it is impractical to continue commercial production. Prices, which have fluctuated significantly, are affected by many factors beyond the Company’s control including anticipated changes in international investment patterns and monetary systems, economic growth rates and political developments. The supply of precious minerals or base metals is related to the economics of new mine production and operating costs for existing producers, as well as the demand from financial institutions and consumers. If the market price falls below the Company’s full production costs and remains at such levels for any sustained period of time, the Company will experience losses and may decide to discontinue operations or other development of a project or mining at one or more of its properties.

Financial Instruments and Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. Cash is carried at fair value using a level 1 fair value measurement.

Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 939,896	$	$	$ 939,896
Reclamation bonds	49,732			49,732
Total	$ 989,628	$	$	$ 989,628

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company's receivables are mainly GST recoverable from the Canadian Government.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at August 31, 2011, the Company had a cash balance of $939,896 to settle current liabilities of $142,135. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

(b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(c) Foreign currency risk

The Company's operations are currently primarily in the United States which exposes the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian and United States dollars. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, and cash.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at August 31, 2011.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 5 in the audited consolidated financial statements for the year ended August 31, 2011 for description of the capitalized exploration and development costs presented on a property-by-property basis.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares Issued or issuable
Common shares	21,344,294
Stock options	2,090,000
Warrants	3,773,667

As at the date of this Management Discussion and Analysis, there are 1,680,000 common shares held in escrow.

Recent Accounting Pronouncements

Business combinations, Non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 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 IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning September 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

International Financial Reporting Standards Changeover Plan and Assessment

In February 2008, the Accounting Standards Board ("AcSB") confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for public accountable enterprises for fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year.

The Company will transition to IFRS effective January 1, 2011 and plans to issue its first interim financial statements under IFRS for the three month period ending November 30, 2011 and a complete set of financial statements under IFRS for the year ending August 31, 2012.

A changeover plan is being established to convert to the new standards within the allotted timeline and is expected to consist of the following three key phases:

1. Phase 1 – Assess the impact;
2. Phase 2 - Design; and
3. Phase 3 - Implementation

Upon completion of Phase 1, the Company determined that the main impact of IFRS on the Company will involve a significant increase in note disclosure as well as certain presentation differences.

Phase two will build the tools required for the conversion based on management's decisions about accounting options and the related disclosures. This phase has continued throughout 2011.

Phase three will roll-out the designed changes. The changes will include the development of the new accounting policies and consolidation templates, the preparation of the IFRS financial statements, and related note disclosure.

The Company is going to consult external advisors to assist in the development and execution of a changeover plan to complete the transition to IFRS.

The key elements of the Company's changeover plan will include the impact of IFRS on the following items:

- Accounting policies

- Property, Plant and Equipment ("PP&E")

IFRS and Canadian GAAP contain the same basic principles of accounting for property, plant and equipment; however, there are some differences between them. For example, capitalization of directly attributable costs in accordance with IAS 16, Property, Plant and Equipment ("IAS 16") may require measurement of an item of property, plant and equipment upon initial recognition to include or exclude certain previously recognized amounts under Canadian GAAP. Specifically, there may be changes in accounting for:

- The amount of capitalized overheads;

- The capitalization of major inspections that were previously expensed under Canadian GAAP;
- The capitalization of depreciation for which the future economic benefits of that asset are absorbed in the production of other assets; and

- The capitalization of borrowing costs in accordance with IAS 23, borrowing Costs.

Management does not expect this change to have an impact on the Company's financial position.

- *Impairment of Assets*

IAS 36, Impairment of Assets ("IAS 36") uses a one-step approach for testing and measuring asset impairments, with asset carrying values being compared to the higher of value in use and fair value less costs to sell. Value in use is defined as being equal to the present value of future cash flows expected to be derived from the asset in its current state. In the absence of an active market, fair value less costs to sell may also be determined using discount cash flows. The use of discount cash flows under IFRS to test and measure asset impairment differs from Canadian GAAP where undiscounted future cash flows are used to compare against the asset's carrying value to determine if impairment exists. This may result in more frequent write-downs in the carrying value of assets under IFRS since asset carrying values that were previously supported under Canadian GAAP based on undiscounted cash flows may not be supported on discounted cash flow basis under IFRS. However, under IAS 36, previous impairment losses may be reversed where circumstances change such that the impairment has reduced. This also differs from Canadian GAAP, which prohibits the reversal of previously recognized impairment losses. Management does not expect this change to have an impact on the Company's financial position.

- *Exploration and Evaluation of Mineral Resources*

Under the Company's current accounting policy, acquisition and exploration costs of mineral properties are capitalized as incurred. IFRS 6 permits mining companies to retain their existing policies with respect to the capitalization of exploration and evaluation costs until guidance is more definitively developed in this area. Such guidance is not expected to be issued until after the Company's changeover to IFRS. The Company will retain its existing policies with respect to mining interests and exploration costs.

• *Income Taxes*

IAS 12, Income Taxes (“IAS 12”) prescribes that an entity account for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves. Therefore, where transactions and other events are recognized in earnings, the recognition of deferred tax assets or liabilities which arise from those transactions should also be recorded in earnings. For transactions that are recognized outside of the statement of earnings, either in other comprehensive income or directly in equity, any related tax effects should also be recognized outside of the statement of earnings.

The most significant impact of IAS 12 on the Company will be derived directly from the accounting policy decisions made under IAS 16. Management does not expect this change to have an impact on the Company’s financial position.

• *First-Time Adoption of International Financial Reporting Standards*

Under IFRS 1, First-Time Adoption of International Financial Reporting Standards (“IFRS 1”) provides the framework for the first time adoption of IFRS and specifies that an entity shall apply the principles under IFRS retrospectively. All adjustments that arise on retrospective conversion to IFRS from other GAAP should be recognized directly in retained earnings. Certain optional exemptions and mandatory exceptions to retrospective application are provided for under IFRS 1.

Under IFRS 1, an entity has the option to retroactively apply IFRS 3 to all business combinations or may elect to apply the standard prospectively only to those business combinations that occur after the date of transition. The CICA Handbook Section 1582, Business Combinations and Section 1602, Non-Controlling Interests are substantially aligned with the accounting for business combinations and non-controlling interests under IFRS 3. Management does not expect this change to have an impact on the Company’s financial position.

Outlook

The Company's focus for the foreseeable future will be on the exploration and development of its gold projects in Nevada and Switzerland.