



(“Revolution” or the “Company”)

**FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTH PERIOD ENDED APRIL 30, 2012**

Introduction

This management’s discussion and analysis (MD&A) of Revolution Resources Corp. and its subsidiaries, Revolution Resources (NC) Inc., and Minera Revolution, S.A. de C.V., is the responsibility of management and covers the six month period ended April 30, 2012. The MD&A takes into account information available up to and including June 12, 2012 and should be read together with the unaudited condensed consolidated financial statements for the quarter ended April 30, 2012 and with the audited consolidated financial statements, notes and MD&A for the years ended October 31, 2011 and 2010, all of which are available on the SEDAR website at www.sedar.com.

Throughout this document the terms *we*, *us*, *our*, *the Company* and *Revolution* refer to Revolution Resources Corp. All financial information in this document is prepared in accordance with International Financial Reporting Standards (“IFRS”) and presented in Canadian dollars unless otherwise indicated. The Company’s accounting policies have changed and the presentation, certain financial statement references and terminology used in this MD&A and the accompanying unaudited condensed consolidated interim financial statements differ from those used in financial statements and quarterly and annual reports issued prior to the six month period ended April 30, 2012.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company’s website at www.revolutionresourcescorp.com.

Forward-Looking Statements

Some of the statements contained in this document constitute forward-looking information within the meaning of the Securities Act (British Columbia), Securities Act (Ontario), Securities Act (Nova Scotia) and the Securities Act (Alberta). Forward-looking information includes disclosure regarding possible or anticipated events, conditions or results of operations which are based on assumptions about future economic conditions and courses of action, and includes future oriented financial information with respect to prospective results of operations or financial position or cash flow that is presented either as a forecast or a projection. Forward-looking information is often, but not always, identified by the use of words such as seek, anticipate, believe, plan, estimate, expect and intend; statements that an event or result is due on or may, will, should, could, or might occur or be achieved; and other similar expressions.

More specifically, forward-looking information contained here may include, without limitation, statements concerning Revolution's plans for mineral properties in Greenland and North Carolina, USA, the timing and amount of estimated future production and mine life, expected future prices of minerals, mineral reserve and mineral resource estimates, estimated capital and operating costs of the project, estimated capital pay-back period, estimated asset retirement obligations, timing of development and permitting time lines; all of which involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information contained here is based on material factors and assumptions and is subject to a variety of risks and uncertainties, which could cause actual events or results to differ materially from a conclusion, forecast or projection in the forward-looking information. These include, without limitation, material factors and assumptions relating to, and risks and uncertainties associated with, the availability of financing for activities when required and on acceptable terms, the accuracy of the interpretation of drill results and the estimation of mineral resources and reserves, the geology, grade and continuity of mineral deposits, the consistency of future exploration, development or mining results with our expectations, metal price fluctuations, the achievement and maintenance of planned production rates, the accuracy of component costs of capital and operating cost estimates, current and future environmental and regulatory requirements, favourable governmental relations, the availability of permits and the timeliness of the permitting process, the availability of shipping services, the availability of specialized vehicles and similar equipment, costs of remediation and mitigation, maintenance of title to mineral properties, industrial accidents, equipment breakdowns, contractor's costs, remote site transportation costs, materials costs for remediation, labour disputes, the potential for delays in exploration or development activities, timely completion of future mineral reserve or resource estimates, timely completion of scoping or feasibility studies, the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, continuing global demand for base metals, expectations and beliefs of management and other risks and uncertainties as discussed in our Management's Discussion & Analysis. Although Revolution has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from any conclusions, forecasts or projections described in the forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, we undertake no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

Reserves and Resources

National Instrument 43-101 ("43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to Revolution's continuous disclosure documents available at www.sedar.com for this detailed information, which is subject to the qualifications and notes therein set forth.

Description of Business

Revolution is based in Vancouver and was incorporated on July 14, 2009 pursuant to the *Business Corporations Act* (British Columbia) and commenced business at that time. On April 27, 2010 the Company completed its Initial Public Offering ("IPO") by way of Prospectus, and began trading on the Toronto Stock Exchange (the "TSX" or "Exchange") under the symbol "NUU". Effective September 8, 2010 the Company changed its name to Revolution Resources Corp. (formerly Nuukfjord Gold Ltd.) and begun trading under the symbol "RV".

The Company is an exploration stage company in the business of acquiring, exploring and developing natural resource properties in the USA and Mexico. The Company has two main projects:

1. The Company has entered into numerous Option and Purchase and Option and Lease Agreements covering an area known as Champion Hills, North Carolina. The various Agreements entitle the Company to acquire up to 100% of the properties, subject to the terms of the agreements more particularly described in the unaudited condensed consolidated interim financial statements.
2. The Company has entered into an option agreement to acquire up to a 100% interest in the Montana de Oro Properties and Universo Property located in Mexico. The combined Mexico property portfolio contains land totaling over 900,000 acres. In order to acquire an initial 60% interest, the Company has issued 5,713,740 common shares valued at \$2,056,946, must incur \$35,000,000 in expenditures on the properties by August 31, 2016 and, within 30 days of incurring \$15,000,000 in expenditures, issue \$1,000,000 in common shares of the Company. In order to earn a 100% interest in the properties, the Company must meet certain conditions on each of the Montana de Oro and Universo properties. The terms are more particularly described in the Company's unaudited condensed consolidated interim financial statements.

Performance Summary

The following is a summary of significant events and transactions that occurred during the quarter ended April 30, 2012, the Company:

- 1) Provided a comprehensive exploration update on its Mexico properties. A summary of highlights follows:

La Bufa

Initial reconnaissance work, including rock sampling and geological mapping, has been completed at the 18,000 hectare La Bufa Property. Revolution is planning a core drilling program for the second quarter of 2012. The Property is located 30 kilometers east of Goldcorp's El Sauzal mine, and is centered on the historic Carmen copper-gold mine.

The Company recently commissioned a Land Satellite-Aster study of the La Bufa property to help focus future exploration efforts and generate new targets.

A plan map with recent sampling results and photographs of the LaBufa prospects are available on the Company's website at www.revolutionresourcescorp.com.

Universo

The 350,000 hectare Universo property is centered at the heart of a 300 kilometer long trend of significant precious and base metal mines and deposits.

The Company recently completed a soil survey with 300 by 500 meter spaced sample stations, covering over 200,000 hectares. A total of 13,844 were collected, with assays currently pending. Additionally, property wide surface mapping and rock chip sampling, as well as detailed IP geophysical surveys are currently underway.

Initial drilling will test multiple targets on the Universo property, including step-out drilling from historic producers. Core drilling will explore multiple targets, including the Cinco Estrellas and Esquivel mines in the Navarro area, as well as multiple other nearby areas covered by shallow overburden.

- 2) Completed a bought deal financing, including the full exercise of the over-allotment option, whereby the Company issued 16,962,500 units at a price of \$0.34 per unit for gross proceeds of \$5,767,250. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire one common share of the Company at a price of \$0.60 for a period of 18 months following the closing of the offering.

The underwriters received a cash fee on the sale of the units equal to 7% of the gross proceeds raised and broker warrants equal in number to 7% of the units sold in the offering. Each broker warrant will entitle the holder to acquire one common share of the Company at a price of \$0.60 for a period of 18 months following the closing of the offering.

The Company expects to use the net proceeds from the Offering to advance the Universo property in Mexico, and the Champion Hills project in North Carolina, and for general working capital purposes.

- 3) Granted 1,175,000 stock options exercisable at \$0.43 per common share for a period of 5 years to directors, officers and consultants of the Company subject to certain vesting conditions.

Additional information can be found on www.sedar.com and the Company's website www.revolutionresourcescorp.com

Subsequent Events

Subsequent to the period ended April 30, 2012, the Company announced high grade surface and underground assay results on the La Bufa and Universo properties in Mexico. High grade gold, silver and variable copper mineralization suggests multiple prospective epithermal targets and extensions to the historically producing Carmen Mine at La Bufa and the Cinco Estrellas Mine at Universo. Exploration detail is provided in the Exploration Summary below and in the news release dated May 22, 2012.

Property and Exploration Summary

Universo and Montana de Oro Projects, Mexico

Property Acquisition

On December 14, 2011, the Company entered into an option agreement with Lake Shore Gold Corp. ("Lake Shore") to acquire up to a 100% interest in the Universo, and Montana de Oro (comprised of Montana de Oro, Lluvia de Oro and La Bufa properties) Properties in Mexico.

In order to acquire an initial 60% in the Mexican properties, the Company has issued 5,713,740 common shares valued at \$2,056,946, must incur \$35,000,000 in expenditures on the Mexican properties by August 31, 2016, including reimbursing Lake Shore for expenditures incurred with respect to the properties in 2011, and, within 30 days of incurring \$15,000,000 in expenditures, issue to Lake Shore \$1,000,000 in common shares of the Company.

The Company can acquire a 100% interest in either or both of Universo and Montana de Oro properties by completing 43-101 compliant technical reports and satisfying certain additional terms, as outlined below, on or before August 31, 2017:

1. With respect to Universo, by producing an 43-101 technical report showing a total resource of all categories of at least two million gold-equivalent ounces and paying Lake Shore \$20 per ounce of resources defined in such report, in cash or in common shares of the Company at the election of Lake Shore.

2. With respect to the Montana de Oro properties, by producing an NI 43-101 technical report showing a total resource of all categories of at least one million gold-equivalent ounces and paying Lake Shore \$20 per ounce of resources defined in such report in cash or in common shares of the Company at the election of Lake Shore.

The option to acquire a 100% interest with respect to either the Universo or Montana de Oro property may be exercised prior to the exercise of the option to acquire a 60% interest therein, provided that the Company pays to Lake Shore an amount equal to any expenditures under the 60% option not yet incurred by the Company to the date of completion of the applicable technical report.

In the event the Company acquires a 60% interest, but not a 100% interest, in respect of either property, the Company and Lake Shore will enter into a joint venture with respect to such property. The Company and Lake Shore will each have a right of first refusal on the transfer of the other party's interest in the joint venture.

Lake Shore will have the right to have one nominee appointed to the board of directors of the Company following the execution of the option agreement. The nomination right will continue during the period of the Company's option to acquire a 60% interest described above and subsequently so long as Lake Shore holds at least 5% of the issued and outstanding common shares of the Company.

The Universo and Montana de Oro properties are subject to underlying agreements. Payments related to the maintenance of the underlying agreements qualify as expenditures under the agreement with Lake Shore:

1. Underlying payments on the Universo property total US\$4,500,000 over the term of the Lake Shore agreement with US\$550,000 payable in the first year of the agreement (US\$385,000 paid). There is a royalty of 1.5% payable on certain claims upon commencement of commercial production.
2. Underlying payments on the Montana de Oro property total MXP 1,083,990 in the first year (MXP 73,144 paid) and MXP 1,000,000 every year thereafter.

Subsequent to the period ended April 30, 2012, the Company entered into an option agreement to acquire three additional claims to the La Bufa claims in the Montana de Oro property. The agreement requires cash payments totalling US\$350,000 and issuing 800,000 common shares of the Company over a two year period. The agreement remains subject to the approval of the TSX. The vendor retains a 1.5% Net Smelter Return Royalty ("NSR") with respect to these claims.

Property Exploration by Revolution Mexico Portfolio

La Bufa (Montana de Oro)

Initial reconnaissance work at the 18,000 hectare La Bufa Property completed by Revolution confirmed the high-grade nature of the multiple structures on the Property. No historical drilling has been completed on these prospects by Revolution or previous operators at La Bufa. The Property is located 30 km east of Goldcorp's El Sauzal gold mine, and is centered on the historic Carmen copper-gold mine. The La Bufa property also includes the historic Golondrina and San Fernando Mines and Revolutions newly defined Cazadores prospect.

A second phase of surface and underground mapping combined with systematic sampling was recently completed. This phase of surface exploration returned encouraging results from both surface and underground sampling from multiple high grade structures. High grade gold, silver and variable copper mineralization suggests multiple prospective epithermal targets and extensions to historically producing mines. Revolution is planning a core drilling program for the second quarter of 2012.

At the newly identified Cazadores prospect, an initial grab sample of a mineralized structure with copper and silver oxide and sulphide minerals returned 11.3% Cu and 2,170 g/t Ag, with recent grab sampling results assayed 1.99% Cu, 630 g/t Ag and 1.07 g/t Au, 271 g/t Ag. At the San Fernando prospect, a chalcopyrite-rich grab sample from the middle of a historic adit assayed 21.9 g/t Au, 14.2 g/t Ag and 5.7% Cu. Follow-up underground sampling at San Fernando returned channel assays of 9.14 g/t Au, 1.63% Cu; 7.11 g/t Au, 2.24% Cu and 4.13 g/t Au, 1.13% w Cu. The Golondrina vein system has been expanded along surface by recent grab and chip sampling with values of 12.85 g/t Au, 1.47 g/t Ag, 0.3% Cu; 7.95 g/t Au, 10.80 g/t Ag, 0.6% Cu and 12.90 g/t Au, 8.75 g/t Ag, 0.4% Cu. A grab sample collected on a historic mine dump at the Caballero Azteca vein assayed 4.51 g/t Au and 4.6 g/t Ag.

Recent underground channel sampling at the Carmen Mine has confirmed the historic underground grades of the main vein with assay results of 1.10 g/t Au, 3.11 g/t Ag, 3.37% Cu; 0.90 g/t Au, 7.97 g/t Ag, 1.3% Cu and 2.4 g/t Au, 0.98 g/t Ag, 0.47 % Cu. Recent surface exploration at the Carmen Mine consisted of follow-up surface grab and chip sampling, covering 800 meters of strike length, returning results of 9.32 g/t Au, 5.45 g/t Ag, 1.49% Cu; 13.45 g/t Au, 12.90 g/t Ag, 3.90 % Cu; 4.46 g/t Au, 293.0 g/t Ag, 6.77 % Cu and 1.07 g/t Au, 118.0 g/t Ag, 7.77% Cu. These recent results they trace an unmined and undrilled section of the Carmen mineralized system.

The Carmen deposit produced approximately one million tonnes of ore grading 2.5% Cu, 2.9 g/t Au and 2.8 g/t Ag between 1947 and 1958 from a vertical vein system developed on the property. *A qualified person has not done sufficient work to classify the historical estimate as current mineral resources. The Company is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.* Multiple mineralized veins have been identified near the historic workings and can be traced on surface. The veins appear to be vertically zoned with greater gold-silver values in the upper levels of the mine grading progressively deeper into high grade copper mineralization. Individual veins are subvertical and typically 1 to 3 metres in width and developed in an en echelon fashion within the host structure.

The Company recently commissioned a Land Satellite-Aster study of the La Bufa property to help focus future exploration efforts and generate new targets.

Universo

The 350,000 hectare Universo property is centered at the heart of a 300 kilometer long trend of significant precious and base metal mines and deposits. The property is located to the south of the Camino Rojo gold-silver discovery (Canplats Resources Corporation, recently purchased by Goldcorp Inc.) and Goldcorp's Penasquito gold-silver-lead-zinc mine. The Charcas Mine, operated by Grupo Mexico's and is the country's largest zinc mine, is located twenty kilometers to the southeast of Universo. New Gold's Cerro San Pedro gold-silver mine is located 100km further south. Despite Universo's strategic location, only limited modern exploration has been performed; the last known drilling being 18 years ago.

Revolution is taking a systematic approach to explore this extensive land package. Universo hosts multiple styles of mineralization including epithermal, sediment hosted/Carlin style and polymetallic epigenetic. Gold mineralization occurs within jasperoid silicified limestone sequences along regional scale fault structures, as well as within low sulphidation epithermal quartz vein systems. The company recently completed a soil survey with 300 by 500 meter sample stations, covering over 200,000 hectares. A total of 13,844 were collected. Additionally, property wide surface mapping and rock chip sampling, as well as detailed IP geophysical surveys were completed.

Recently, an extensive underground sampling program was completed at the Cinco Estrellas Mine in the Navarro area. A total of 189 channel samples were collected from all seven underground mine levels. Channel samples ranged in length from 0.5 to 1.5 meters, with an average of twenty samples being collected from each level. Returned gold assays ranged from 0.002 g/t Au to 566.0 g/t Au with an average of 6.88 g/t Au for the program. Returned silver assays ranged from 0.19 g/t Ag to 10001 g/t Ag with an average of 121 g/t Ag for the program.

Initial drilling will test multiple targets on the Universo property, including step-out drilling from historic producers. Core drilling will explore multiple targets, including the Cinco Estrellas and Esquivel mines in the Navarro area, as well as multiple other nearby areas covered by shallow overburden. The La Perdida zone, located 12 kilometers northwest of Navarro, has widespread silicified limestones (jasperoid) as envelopes to several high-level epithermal-style quartz veins. Undrilled targets during this initial drilling phase also include several sediment hosted targets. All of these targets are typified by extensive areas (hundreds of meters to kilometers) of anomalous veining and jasperoid mineralization. Gold values range from 0.1 to 7.76 g/t, as well as significant local silver values.

The Company is also completing extensive community and local stakeholder dialogue in the Universo area, which includes surface access agreements recently signed with multiple Ejido groups.

Revolution's 2012 exploration program at Universo will be completed under the supervision of Robert McLeod, P.Geol and Director of Revolution, and Linus Keating, D.Sc, CPG, both Qualified Persons as defined by NI 43-101. Drill cores will be cut in half using a diamond saw, with one half placed in sealed bags, and delivered to ALS-Chemex or Activation Laboratories facilities. A sample quality control/quality assurance program utilizing standards and blanks, as well as third-party check labs will be implemented.

Champion Hills, North Carolina

Property Description, Area and Location

All Champion Hills properties are located in the Cid mining district in central North Carolina. Silver Hill and Silver Valley are located in eastern Davidson County, and Loflin, Jones Keystone, Hoover Hill and Jerico Hill are located in west-central Randolph County. All properties are located within a 35 kilometer trend, approximately 15 kilometers west from the town of Asheboro, NC and 85 kilometers northeast of Charlotte, NC. All properties are privately owned, and are currently under lease/purchase agreements with the Company. The agreements cover over 7000 acres within the Champion Hill Mineral Trend. Mineral and surface rights are included in all lease/purchase agreements (with the exception if the Virgilina land package that is mineral rights only) and the Company has legal access to all properties.

Property Acquisition

During fiscal 2011, the Company acquired, from a non-arm's length private company, a 90% interest in two option and lease agreements by issuing 2,000,000 common shares valued at \$930,000 and paying \$375,312 (US\$375,000). The Company has the right of first refusal on the remaining 10% after incurring US\$1,000,000 in exploration expenditures. To complement the initial acquisition, the Company entered into various additional option and purchase agreements during 2011. These option and purchase agreements are completed directly with property owners and entitle the Company to acquire 100% of these properties.

As of April 30, 2012, all option and purchase agreements held by the Company cover approximately 7,122 acres (January 31, 2012 – 7,080 acres) and require annual lease payments of US\$200 per acre over a five year term and US\$1 per foot drilled. The Company has the option to purchase or lease each land package based on the terms of the agreements. Upon commencement of commercial production the properties are subject to a NSR. Details pertaining to the option/purchase agreements are outlined in the table below.

Property	Effective & Payment due date	Area (acres)	First Year Signing \$	Annual \$ For Second Year	Purchase Option	Tax Parcel ID #	NSR
Loflin	August 17, 2010	28.00	5,600.00	5,600.00	150% FMV or US\$456,000 (which ever is greater)	6791097053	2%
Loflin	September 29, 2010	43.41	8,792.00	8,792.00	150% FMV or US\$281,085 (which ever is greater)	6781895202	2%
		0.55				6781996965	2%
Loflin	September 29, 2010	17.37	3,473.40	3,473.40	150% FMV or US\$100,320 (which ever is greater)	6791090403	2%
Loflin	October 18, 2010	20.37	4,074.40	4,074.40	150% FMV or US\$125,625 (which ever is greater)	6782805566	2%
Loflin	October 19, 2010	4.55	1,910.60	910.60	150% FMV or US\$162,090 (which ever is greater)	6781998854	2%
Loflin	December 16, 2010	1.00	2,000.00	1,000.00	150% FMV or US\$175,196 (which ever is greater)	6782904368	2%
Loflin	December 11, 2010	7.31	6,462.40	1,462.40	150% FMV or US\$91,500 (which ever is greater)	6792003118	2%
Loflin	December 17, 2010	1.00	2,000.00	1,000.00	150% FMV or US\$116,130 (which ever is greater)	6782905613	2%
Loflin	January 15, 2011	45.21	11,290.00	9,290.00	150% FMV or US\$170,270 (which ever is greater)	6792019550	2%
Loflin		1.24				6792110990	2%
Loflin	July 12, 2011	7.10	25,000.00	2,660.00	\$255,240	6792007057	2%
		6.20				6791097703	2%
Loflin	April 18, 2011	5.91	14,795.20	years 3 to 5 @\$ 6,397.60	150% FMV or Assessed Values per Agreement (whichever is greater)	6792001460	2%
		8.09				6792004501	2%
		17.22				6782919428	2%
		0.78				6782929269	2%
		1.63				6792217558	2%
Loflin	April 7, 2012	4.88	8,400.00	8,400.00	150% FMV or US\$275,850 (whichever is greater)	6792220128	2%
		0.60				6792221273	2%
		34.58				6792228878	2%
Jones-Keystone	August 10, 2010	163.88	32,775.40	32,775.40	150% appraised value	6792754441	2%

Property	Effective & Payment due date	Area (acres)	First Year Signing \$	Annual \$ For Second Year	Purchase Option	Tax Parcel ID #	NSR
Jones-Keystone	January 29, 2011	55.97	15,208.00	12,208.00	150% FMV or US\$483,255 (which ever is greater)	6792632743	2%
		5.07				6792521431	2%
Jones-Keystone	January 29, 2011	98.57	22,714.00	19,714.00	150% FMV or US\$213,140 (whichever is greater)	6792540380	2%
Jones-Keystone	June 27, 2011	7.24	2,448.00	1,448.00	AMR \$400/ac after Year 5	6792578605	2%
Jones-Keystone	August 3, 2011	26.57	17,900.00	14,400.00	150% FMV or US\$426,750 (whichever is greater)	6792836014	2%
		10.82				6792737203	2%
		34.61				6792922757	2%
Jones-Keystone	August 25, 2011	76.00	18,000.00	12,500.00	150% FMV or US\$168,000 (which ever is greater)	6792249754	2%
Jones-Keystone	September 26, 2011	20.00	2,000.00	4,000.00	150% FMV or US\$63,940 (which ever is higher)	6792354755	2%
Jones-Keystone	November 2, 2011	16.15	5,230.00	3,230.00	150% FMV or US\$	6792818797	2%
Hoover Hill	February 25, 2011	178.01	300,000.00	Year 1 through 4 paid Year 5 = \$100K	150% appraised value or US\$910,644 (whichever is higher) + \$28,900/"lot"	7713307024	2%
		19.01				7712190481	2%
		15.15				7712295185	2%
		20.21				7713104253	2%
Hoover Hill	April 5, 2011	96.48	19,472.00	14,472.00	150% FMV or US\$293,510 (which ever is greater)	7703905465	2%
Hoover Hill	April 15, 2011	274.60	44,640.00	44,640.00	150% FMV or US\$997,610 (which ever is greater)	7722082111	2%
		23.00				7712868771	2%
Jerico Hill	February 10, 2011	31.66	8,331.00	6,331.00	150% FMV or US\$400,000 (which ever is greater)	7723302820	2%
Jerico Hill	May 18, 2011	182.22	36,444.00	27,333.00	5 year Option then annual AMR lease paym'ts of \$200/acre	7723115516	2%
Jerico Hill	June 15, 2011	5.67	3,134.00	1,134.00	150% FMV or US\$ (whichever is greater)	7722390904	2%
Jerico Hill	July 22, 2011	8.28	5,312.00	1,656.00 Start Year 3	3 year option, Year 1 & 2 Paid in advance; 150% FMV or US\$37,260 (greater of)	7722398500	2%
Jerico Hill NE	October 12, 2011	30.00	8,000.00	6,000.00	150% FMV or US\$160,850 (which ever is greater)	7723461463	2%
						7723467663	2%
Jerico Hill NE	March 8, 2011	452.14	147,058.00	147,058.00	150% FMV or US\$2,525,440 (which ever is greater)	7723725665	2%
		272.67				7723965676	2%
		10.48				7733068036	2%

Property	Effective & Payment due date	Area (acres)	First Year Signing \$	Annual \$ For Second Year	Purchase Option	Tax Parcel ID #	NSR
Jerico Hill NE	April 14, 2011	35.95	12,162.00	9,162.00	150% FMV or US\$ (whichever is greater)	7723479226	2%
		25.13				7723363312	2%
Jerico Hill NE	August 24, 2011	49.00	11,800.00	9,800.00	150% FMV or US\$168,000 (whichever is greater)	7734834965	2%
Silver Hill	March 1, 2011 April 16, 2008	469.56	60,000.00	\$40,000 + 75K RR \$10,000	Option Agreement Shares + \$500K Work Lease Agreement	DB 993 PG 506	4%
Silver Valley	March 1, 2011 May 2, 2008	166.99	40,000.00	\$40,000 + 75K RR \$7,000	Option Agreement Shares & \$500K Work Lease Agreement	DB1634 PG1538	4%
Virgilina	March 1, 2011	3984.16	120,000.00	\$120,000 + 100K RR Shares & \$100K Work 1st Year	Lease Agreement	26 parcels	2%

Silver Hill and Silver Valley

During fiscal 2011 the Company entered into two separate letter agreements with a private company, Carolina Mineral Resources Inc. ("CMRI"), on properties known as the Silver Hill mine and the Silver Valley Mine, North Carolina.

Under the terms of the Silver Hill property agreement the Company can earn 100% of CMRI's rights to a mineral lease agreement for consideration of US\$220,000 and exploration expenditures totalling US\$2,500,000 paid in stages to March 2015 and the issuance 300,000 common shares in stages to March 2014. The Company is also required to issue 500,000 common shares upon completion of a positive, bankable feasibility study and an additional 500,000 common shares upon commencement of commercial production. The property is subject to a 4% NSR. During the year ended October 31, 2011, the Company issued 75,000 common shares valued at \$44,250 and paid \$59,146 (US\$60,000). During the period ended April 30, 2012, the Company issued an additional 75,000 common shares valued at \$25,875, paid \$40,000 and completed the first tranche of exploration expenditures totalling US\$500,000.

Under the terms of the Silver Valley mine agreement the Company can earn 100% of CMRI's rights to a mineral lease agreement for consideration of US\$200,000 and exploration expenditures totalling US\$2,500,000 paid in stages to March 2015 and the issuance of 300,000 common shares in stages to March 2014. The Company is also required to issue 500,000 common shares upon completion of a positive, bankable feasibility study, and an additional 500,000 common shares upon commencement of commercial production. The property is subject to a 4% NSR. During the year ended October 31, 2011, the Company issued 75,000 common shares valued at \$44,250 and paid \$39,430 (US\$40,000). During the period ended April 30, 2012, the Company issued an additional 75,000 common shares valued at \$25,875, paid \$40,000 and completed the first tranche of exploration expenditures totalling US\$500,000.

Jerico Hill

During fiscal 2011 the company entered into eight option agreements in the Jerico Hill area, Randolph County, North Carolina. In seven of the agreements, the company has a 5 year option to purchase (6 agreements) or lease (1 agreement) each land package. The purchase options are at 150% of the appraised value or a certain fixed price, whichever is greater. The lease agreement payments are \$200/acre. The remaining agreement is a 3 year contract with the first two years paid in advance and a purchase option of 150% of the appraised value or a certain fixed rate. The initial signing costs for this land package totalled US\$226,241. No shares, options or warrants were included in any of the agreements. Details of these eight agreements are included in the table above.

Jones Keystone and Loflin

During fiscal 2011, the Company acquired, from a non-arm's length private company, a 90% interest in two option and lease agreements by issuing 2,000,000 common shares valued at \$930,000 and paying \$375,312 (US\$375,000). The Company has the right of first refusal on the remaining 10% after incurring US\$1,000,000 in exploration expenditures. These option and lease agreements included the Jones Keystone and Loflin Mine properties. Since this acquisition the Company has completed ten additional option and purchase agreements to expand on the initial land package. All agreements are a 5 year term, with the option to purchase nine of the properties for 150% of the appraised value or a certain fixed rate. The initial signing costs for this land package totalled US\$123,295.20. No shares, options or warrants were included in any of the agreements. Details of these agreements are included in the table above.

During the time period of January 31, 2012 through April 30, 2012 the Company completed one additional option and purchase agreement, expanding the Jones Keystone and Loflin land package. The agreement is a 5 year term, with the option to purchase the property for 150% of the appraised value or a certain fixed rate. The initial signing costs for this land package totalled US\$8400.00. No shares, options or warrants were included in this agreement. Details of the agreement are included in the table above.

Virgilina

During fiscal 2011 the Company entered into an option agreement on the Virgilina copper property located in North Carolina and Virginia. The Company can earn a 100% interest in the property for consideration of US\$600,000 and exploration expenditures totalling US\$1,500,000 paid in stages to March 2015 and the issuance of 400,000 common shares in stages to March 2014. The Company is also required to issue 500,000 common shares upon completion of a positive, bankable feasibility study and an additional 500,000 common shares upon commencement of commercial production. During the year ended October 31, 2011, the Company issued 100,000 common shares valued at \$59,000 and paid \$118,291 (US\$120,000). Subsequent to the period ended January 31, 2012, the Company issued an additional 100,000 common shares. During the period ended April 30, 2012, the Company issued an additional 100,000 common shares valued at \$34,500, paid \$120,000 and completed the first tranche of exploration expenditures totalling US\$100,000.

Hoover Hill

During fiscal 2011 the Company entered into an option and purchase agreement on the Hoover Hill mine property, North Carolina. The Company has a four year option to purchase each land package for the greater of 150% of the appraised value or a certain fixed price. The Company paid \$295,680 (US\$300,000) on signing and issued 100,000 share purchase warrants with a fair value of \$38,775. The option can be extended for an additional year for US\$100,000. Each warrant entitles the holder to one common share at an exercise price of \$0.75 for a period of four years. The fair value of these warrants was estimated using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.87%; dividend yield 0%; volatility of 100%; and an expected life of 3 years. The Company paid other acquisition costs of \$104,548. The property is subject to a 2% NSR, of which one-half (1%) may be purchased for US\$1,000,000.

Exploration by Revolution Resources Corp. Champion Hills North Carolina USA

Following the completion of the Phase I and II drill programs in 2010-early 2011, Revolution completed an additional 10,000 meters of drilling at Champion Hills. This phase of drilling was completed on the Loflin, Jones Keystone, Jerico Hill, Silver Valley and Silver Hill properties; focusing on areas of historic mining and drilling. Results from this drill program confirmed a significant gold mineralized system with geological similarities to mines and deposits in the Carolina Slate Belt. Jones Keystone and Loflin lie at the heart of the Champion Hills trend, with the Jerico Hill and Hoover Hill prospects about eight kilometers northeast and the Silver Valley and Silver Hill properties being located 15 kilometers southwest. All properties are within of the prospective regional Champion Hills Mineral Trend. This most recent Phase of work at Champion Hills also included re-logging and select re-sampling of historical core, digital compilation and review of historical data, an extensive soil geochemical sampling program and geological mapping throughout the trend.

During the winter of 2012 an extensive soil geochemistry sampling program was carried out on the Virgilina land package. Results from this program confirmed the presence of copper +/- gold +/- silver mineralization on the leased mineral rights. Soil sampling on the newly acquired land at Jones Keystone and Loflin, as well as a detailed sampling program of the tailings at Silver Hill were also conducted during winter 2012.

Select Champion Hills Drill Intercepts

Select Loflin and Jones Keystone Drill Intercepts

Hole-ID	From (m)	To (m)	Length (m)	Au (g/t)
LF10-017	26.0	96.0	70.0	1.10
<i>including</i>	26.0	46.0	20.0	2.19
	88.0	96.0	8.0	3.05
LF10-018	14.0	88.0	74.0	1.12
<i>including</i>	36.0	66.0	30.0	2.59
JK11-017	28.0	132.0	104.0	1.27
<i>including</i>	80.0	94.0	14.0	3.03
JK11-026	104.0	130.0	26.0	0.96
<i>including</i>	122.0	130.0	8.0	1.49
JK11-027	120.0	144.0	24.0	0.84
<i>including</i>	126.0	144.0	18.0	1.01
JK11-028	140.0	152.0	12.0	0.94

Select Silver Hill and Silver Valley Drill Intercepts

Hole-ID	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %
SH11-01	287.0	290.0	3.0	0.19	3.53	0.13	0.14	4.78
	295.0	303.0	8.0	1.60	11.59	0.58	0.42	1.12
<i>including</i>	295.0	296.0	1.0	5.69	35.60	4.20	0.01	0.62
SH11-02	232.0	234.0	2.0	3.39	18.00	0.33	0.89	10.26
<i>including</i>	233.0	234.0	1.0	6.58	22.80	0.57	0.20	6.66
	238.0	242.0	4.0	1.39	37.28	0.10	4.66	8.47
<i>including</i>	241.0	242.0	1.0	2.80	106.00	0.33	13.45	22.40
SV11-01	14.0	22.0	8.0	0.61	21.11	0.05	0.86	1.21
SV11-04	78.0	80.0	2.0	0.22	62.90	0.05	0.35	0.53

Select Jerico Hill Drill Intercepts

Hole-ID	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
JH11-001	28.5	51.0	22.5	6.10	258.65
<i>including</i>	43.1	51.0	7.9	16.06	698.66
<i>including</i>	47.0	48.5	1.5	56.60	2430.00

These are estimated to be between 70% and 90% true widths.

Refer to the Technical Reports, and Annual Information Form at www.sedar.com for more information. Detailed expenditures for the period are included in the condensed consolidated interim financial statements for the period ended April 30, 2012.

Future Exploration Plans

Champion Hills - The Company's 2012 exploration programs will dominantly focus on surface based testing of gold and silver and base metal mineralization and continued drilling in quarter four of 2012 on the Champion Hills Project, North Carolina.

Mexico - The Company's 2012 exploration programs will dominantly focus on continued drilling, a broad soil survey, IP survey and surface mapping at the Universo and Montana de Oro properties.

Rob McLeod, P. Geo., a Qualified Person under the meaning of Canadian National Instrument 43-101 and an Officer of the Company, is responsible for the technical content of this Management Discussion and Analysis.

Summary of Quarterly Results

	Three Month Period Ended			
	April 30, 2012	January 31, 2012	October 31, 2011	July 31, 2011
	\$'000	\$'000	\$'000	\$'000
Total Assets	\$22,357	\$17,415	\$16,210	\$18,179
Mineral Properties	17,195	13,863	7,784	11,684
Working Capital	3,515	1,643	8,001	5,568
Shareholders' Equity	21,649	17,045	15,799	17,564
Net Loss	(742)	(839)	(6,287)	(1,054)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.11)	\$ (0.02)

	Three Month Period Ended			
	April 30, 2011	January 31, 2011	October 31, 2010	July 31, 2010
	\$'000	\$'000	\$'000	\$'000
Total Assets	\$19,217	\$11,473	\$10,623	\$ 10,964
Mineral Properties	10,398	8,044	5,851	5,419
Working Capital	7,778	2,652	4,157	5,190
Shareholders' Equity	18,481	11,002	10,315	10,793
Net Loss	(1,716)	(645)	(481)	(488)
Loss per share	\$ (0.03)	\$ (0.02)	\$ (0.01)	\$ (0.01)

The variability in Revolution's net loss over the last the eight quarters resulted primarily from the changing levels in capital expenditures, share-based payments, finance charges, and office and administrative expenses. Changing levels in capital expenditures expenses and general and administrative costs fluctuate independently according to exploration activities and corporate activities including shareholder communication. The Company discontinued active exploration at its Nuukfjord property in Greenland resulting in a significant write-down in the three months ended October 31, 2011 and acquired an option to acquire an interest in a significant portfolio of properties in Mexico resulting in a significant increase in exploration activity for the three months ended April 30, 2012.

Results of Operations

The financial statements reflect the financial condition of the Company's business for quarter ended April 30, 2012.

Three Months Ended April 30, 2012

During the three month period ended April 30, 2012 the Company incurred a loss of \$741,866 as compared to a loss of \$1,715,725 for the period ended April 30, 2011. These losses include non-cash-based deductions for depreciation of \$1,080 (2011 - \$474), and share-based payments of \$98,921 (2011 - \$587,943). Excluding non-cash-based deduction, the loss for the period ended April 30, 2012 was \$641,865 compared to \$1,127,308 for the period ended April 30, 2011.

Significant expenditures include investor relations and shareholder communications \$109,587 (2011 - \$563,330), office and miscellaneous \$107,918 (2011 - \$40,913), management fees \$85,000 (2011 - \$95,000), professional fees \$129,190 (2011 - \$68,954), and travel \$102,001 (2011 - \$105,348). Additionally, there was a significant decrease in consulting fees for the period ended April 30, 2012 of \$15,000 as compared to \$157,500 in the period prior.

Six Months Ended April 30, 2012

During the six month period ended April 30, 2012 the Company incurred a loss of \$1,581,349 as compared to a loss of \$2,360,592 for the period ended April 30, 2011. These losses include non-cash-based deductions for depreciation of \$2,161 (2011 - \$948), and share-based payments of \$137,034 (2011 - \$726,462). Excluding non-cash-based deduction, the loss for the period ended April 30, 2012 was \$1,442,154 compared to \$1,633,183 for the period ended April 30, 2011.

Significant expenditures include investor relations and shareholder communications \$280,309 (2011 - \$635,873), office and miscellaneous \$221,657 (2011 - \$203,736), management fees \$230,000 (2011 - \$165,000), professional fees \$215,817 (2011 - \$133,733), property investigation costs \$114,663 (2011 - \$105,937), and travel \$201,996 (2011 - \$172,767). Additionally, consulting fees for the period ended April 30, 2012 decreased to \$51,400 as compared to \$197,500 in the period prior. Other than significant decreases in consulting and investor relations and shareholder communications expenses, expenditures have been reasonably consistent over the periods as the Company has developed a strong corporate base following its IPO in 2010.

Liquidity and Capital Resources

Revolution's mineral exploration and development activities do not provide a source of income and the Company therefore has a history of losses, working capital deficiencies and an accumulated deficit. The Company's financial success is dependent on management's ability to raise money and to discover economically viable mineral deposits. Given the nature of the Company's business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of the Company's valuation.

Operating Activities: The Company does not generate cash from operating activities. Net cash used by the Company for operating activities for the period ended April 30, 2012 was \$1,864,055 compared to \$2,052,694 for the period ended April 30, 2011.

Investing Activities: Revolution's capital assets include equipment and its interests in the Mexico property portfolio and the Champion Hills property in North Carolina. Net cash used by the Company in investing activities for period ended April 30, 2012 was \$6,888,210 compared to \$2,981,191 for the period ended April 30, 2011. Additionally, the Company used \$927,508 (2011- \$Nil) toward exploration advances on the Mexico property.

Financing Activities: During the period ended April 30, 2012, the Company completed a private placement and generated \$5,767,250 in cash inflows and incurred cash expenditures of \$627,504 in share issue costs. During the period ended April 30, 2011, the Company received net cash inflows of \$9,328,025 from the issuance of capital stock from a private placement and the exercise of stock options and broker warrants. Share capital activities in this period resulted in cash expenditures on share issue costs of \$644,548. The Company has financed its operations and capital investments to date primarily through the issuance of common shares and loans payable.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money from equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

The consolidated financial statements for the period ended April 30, 2012 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Off-Balance Sheet Arrangements

At April 30, 2012, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Contractual Obligations

The Company does not have any contractual obligations over the next five years. Payments under its mineral property agreements are optional.

Outstanding Share Data

As at the date of this report, the Company had an unlimited number of common shares authorized for issuance with 89,740,790 common shares issued and outstanding.

The Company has the following incentive stock options and warrants outstanding at the date of this report:

	Number	Exercise price	Expiry date
Stock options			
	100,000	\$ 0.80	April 12, 2013
	225,000	0.80	May 15, 2014
	2,300,000	0.50	April 27, 2015
	1,225,000	0.70	February 15, 2016
	150,000	0.80	May 11, 2016
	330,000	0.70	June 15, 2016
	150,000	0.50	October 25, 2016
	1,175,000	0.43	February 1, 2017
Warrants			
	8,481,250	\$ 0.60	October 3, 2013
	4,500,000	0.75	October 18, 2015
Brokers Warrants			
	120,000	\$ 0.60	October 18, 2012
	1,187,375	0.60	October 3, 2013
Special Warrants			
	100,000	\$ 0.75	March 15, 2015

Related Party Transactions

During the period ended April 30, 2012, the Company:

- a) Paid or accrued management fees of \$140,000 (2011 - \$165,000) to Aaron Keay, CEO and director of the Company and \$90,000 (2011 - \$Nil) to Robert McLeod, VP Exploration and director of the Company.
- b) Paid or accrued geological consulting fees of \$Nil (2011 - \$25,000) to Michael Moore, a former officer of the Company.
- c) Paid or accrued professional fees of \$35,000 (2011 - \$57,500) to Jonathan Richards, CFO and Shoni Bernard, former Corporate Secretary of the Company.
- d) Paid or accrued consulting fees of \$45,000 (2011 - \$155,000) to directors Michael Williams and Robert McLeod and former director Bryan Slusarchuk.
- e) Paid or accrued promotional fees of \$Nil (2011 - \$47,850) to General Research GmbH, a company controlled by Georg Hochwimmer, a director of the Company.

Share-based payment expense for the period ended April 30, 2012 included compensation to directors and officers of \$72,385 (2011 - \$165,248) for stock options vesting during the period.

Included in accounts payable is \$22,045 (October 31, 2011 - \$117,622) due to directors of the Company.

During the year ended October 31, 2011, the Company entered into an agreement with certain directors to offset loans receivable (Note 4) with amounts payable under the Champion Hills purchase and sale agreement pursuant to the acquisition of an interest in certain option agreements from a non-arm's length private company (Note 6).

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

The Company operates from the premises of a group of public and private companies with common directors. Certain companies provide geological consulting and office and administrative services to the Company and various other public companies. Included in accounts payable and accrued liabilities is \$76,444 (October 31, 2011 - \$29,147) due to a related private company. During the period, the Company paid or accrued \$193,797 (2011 - \$387,728) for geological consulting, and \$99,594 (2011 - \$21,739) for office and administrative expenditures.

A private company controlled by a director of the Company provides management and professional services to public companies. During the period ended April 30, 2012, the Company paid or accrued \$27,500 (2011 - \$Nil) for investor relations services, \$28,875 (2011 - \$Nil) for accounting services and \$15,876 (2011 - \$Nil) for administration expenses.

Proposed Transactions

The Company continues to enter into further option and purchase agreements in the Champion Hills area with terms consistent with Note 6 of the condensed consolidated interim financial statements for the period ended April 30, 2012.

Changes in Accounting Policies including Initial Adoption

The Company has adopted International Financial Reporting Standards (IFRS) effective November 1, 2011 with a transition date of November 1, 2010. For further details, please refer to notes 3 and 13 of the April 30, 2012 condensed consolidated interim financial statements.

New accounting standards

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended October 31, 2012:

- IFRS 9 New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets⁽ⁱⁱⁱ⁾
- IFRS 10 New standard to establish principles for the presentation and preparation of consolidated financial statements when an entity controls multiple entities⁽ⁱ⁾
- IFRS 11 New standard to account for the rights and obligations in accordance with a joint agreement⁽ⁱ⁾
- IFRS 12 New standard for the disclosure of interests in other entities not within the scope of IFRS 9/IAS 39⁽ⁱ⁾
- IFRS 13 New standard on the measurement and disclosure of fair value⁽ⁱ⁾
- IAS 1 (Amendment) Presentation of other comprehensive income⁽ⁱⁱ⁾
- IAS 28 (Amendment) New standard issued that supersedes IAS 28 (2003) to prescribe the accounting for investments in associates and joint ventures⁽ⁱ⁾

(i) Effective for annual periods beginning on or after January 1, 2013

(ii) Effective for annual periods beginning on or after July 1, 2012

(iii) Effective for annual periods beginning on or after January 1, 2015

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

Critical Accounting Policies and Estimates

Revolution's accounting policies are described in Notes 2 and 3 of its condensed consolidated interim financial statements for the period ended April 30, 2012. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

- Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation and depreciation of equipment and exploration and evaluation assets, valuation of share-based payments, recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

- Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operations and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting periods, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

- Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of comprehensive loss. The Company expenses costs related to the exploration and development of mineral properties as they are incurred.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

- Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of reserves are transferred to share capital.

- Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Financial Instruments and Risk Management

Financial Instruments

Cash and cash equivalents is carried at fair value using a level 1 fair value measurement. The carrying value of short-term investments, receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. Loans receivable are long-term and are recorded at amortized cost.

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.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents and short-term investments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2012, the Company had a cash and cash equivalents and short-term investments balance of \$3,699,032 to settle current liabilities of \$707,325.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash and cash equivalents and short-term investments balances. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at April 30, 2012, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The majority of the Company's business is conducted in Mexico in Canadian dollars and Mexican pesos and in the USA in the US dollar. As such, the Company is exposed to foreign currency risk in fluctuations among the Canadian dollar, the Mexican peso and the US Dollar. Fluctuations in the exchange rate among the Canadian dollar, the Mexican peso and the US dollar may have a material adverse effect on the Company's business and financial condition. Fluctuations do not have a significant impact on operating results.

c) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Company's control. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Risk Factors

Companies in the exploration stage face a variety of risks and investments are highly speculative. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Readers are referred to the Company's Annual Information Form, located on SEDAR at www.sedar.com, for a full list of applicable risk factors.

Evaluation of Disclosure Controls and Procedures

Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD & A and the related unaudited condensed interim financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under Canadian Securities Administration regulations, as at April 30, 2012. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal controls over Financial Reporting

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is satisfied that the Company has adequate financial expertise, has conducted appropriate planning and research, has performed appropriate review and has involved the board of directors and audit committee to provide reasonable assurance over the reliability of financial reporting in the transition period.

During the period ended April 30, 2012, the Company expanded its control framework to integrate key controls which provide oversight over expenditures and exploration on its new projects in Mexico. These controls include comprehensive budgeting with the VP of Exploration, local project management and the CFO as well as cash call and approval processes from head office over expenditures made in Mexico.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of Management Discussion & Analysis the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.