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MANAGEMENT DISCUSSION & ANALYSIS

This discussion and analysis should be read in conjunction with the audited consolidated financial statements and related notes thereto for the years ended May 31, 2011 and 2010, which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A using the terms "may", "expects to", "projects", "estimates", "plans", and other terms denoting future possibilities, are forward-looking statements in respect to various issues including upcoming events based upon current expectations, which involve risks and uncertainties that could cause actual outcomes and results to differ materially. The future conduct of our business and the feasibility of our mineral exploration properties are dependent upon a number of factors and there can be no assurance that we will be able to conduct our operations as contemplated and the accuracy of these statements cannot be guaranteed as they are subject to a variety of risks that are beyond our ability to predict or control and which may cause actual results to differ materially from the projections or estimates contained herein. The risks include, but are not limited to, the risks described in this MD&A; those risks set out in our disclosure documents and our annual and quarterly reports; the fact that exploration activities seldom result in the discovery of a commercially viable mineral resource and also require significant amounts of capital to undertake, and the other risks associated with start-up mineral exploration operations with insufficient liquidity, and no historical profitability.

Overview

We are engaged in the acquisition, exploration and development of natural resource properties. We currently have mineral property and oil and gas interests in Alaska, Texas and Kentucky.

We are a reporting issuer in British Columbia and Alberta and trade on the TSX Venture Exchange (the ("TSX.V") under the symbol "TRC". We are also listed on the OTC BB under the symbol "TRYLF".

Our main exploration and development work over the last several years has taken place on the Gil claims, a gold prospect located in the Fairbanks Mining District, Alaska.

<u>*Mineral and Exploration Properties*</u>

Gil Claims, Fairbanks Mining District, Alaska

We own a 20% working interest in 237 claims located in the Gilmore dome area of Fairbanks district of Alaska, known as the Gil mineral property. Our joint venture with Kinross Gold Corporation ("KGC") on the Gil mineral property is divided into several mineralized zones, including the Main Gil and the

North Gil. The Gil mineral claims are adjacent to the producing Fort Knox deposit owned by KGC. KGC owns an 80% working interest in the Gil joint venture.

KGC's subsidiary, Fairbanks Gold Mining, Inc. ("FGM") acts as operator of this project. Our contribution to annual exploration costs is 20% and KGC's contribution is 80%, with net profits to be distributed in that same proportion in the event of production. As operator of this project, FGM determines whether exploration work will occur from year to year.

During March, 2010, a 12.8 mile ground magnetometer/radiometer survey was completed and a 15,000 foot drilling program commenced in April. The goal of the 2010 program was to further delineate the strike extension of the mineralized zones, and to infill between step-out holes, in order to gain a better understanding of ore-zone continuity. The 2010 plan calls for ground geophysics, 11,000 feet of reverse circulation (RC) drilling and 5,000 feet of HQ-NQ core drilling. In addition, fieldwork involving mapping, soil and rock sampling and mobile metal ion (MMI) geochemical sampling was performed.

In July 2010 FGM reported the following preliminary drill results:

Hole Number	**Interval (feet in depth)**	**Assay Results opt Au**	**Assay Results gpt Au**
GVR10-551	235 - 285	50 feet of 0.0458	1.57
GVR10-551	360 - 390	30 feet of .0383	1.31
GVR10-552	200 - 230	30 feet of 0.0581	1.99
GVR10-557	40 - 80	40 feet of 0.0434	1.52
GVR10-558	0 - 45	45 feet of 0.0427	1.46

* "Opt" refers to ounces per short ton and "gpt" refers to grams per metric tonne. One troy ounce is equal to 34.2857 grams per metric tonne.

In August 2010, FGM reported the following additional drill results:

North Gil:

North Gil Hole Number	**Interval (feet in depth)**	**Assay Results opt Au**	**Assay Results gpt Au**
GVR10-568	420 – 455	35 feet of 0.0788	2.670
GVR10-569	145 – 195	50 feet of 0.0363	1.244

Sourdough:

Sourdough Hole Number	**Interval (feet in depth)**	**Assay Results opt Au**	**Assay Results gpt Au**
GVR10-563	145 – 170	25 feet of 0.03	1.029

In September 2010, FGM reported the following dill results:

North Gil Hole Number	**Interval (feet in depth)**	**Assay Results opt Au**	**Assay Results gpt Au**
GVR10-573	10 – 35	25 feet of 0.0489	1.676
GVR10-573	250 - 285	35 feet of 0.0418	1.523

Sourdough Hole Number	Interval (feet in depth)	Assay Results opt Au	Assay Results gpt Au
GVR10-560	195 - 220	25 feet of 0.0508	1.742
GVR10-560	285 - 295	10 feet of 0.0322	1.104
GVR10-560	320 - 330	10 feet of 0.0171	0.586
GVR10-560	340 - 375	35 feet of 0.0121	0.415
GVR10-561	20 - 35	15 feet of 0.0175	0.599
GVR10-561	45 - 70	25 feet of 0.01	0.343

On October 18th, 2010 we announced that we had the interim technical report for the Gil joint venture, which had been prepared by Mark S. Robinson, Certified Professional Geologist. Interpretation and conclusion are as follows:

The Gil joint venture project is located in the northern Fairbanks mining district in an area that is road-accessible, located on State owned lands with good access to power. The ore bodies within the project area are contained in the Cleary Sequence, a subunit of the Fairbanks Schist unit. The Cleary Sequence and Fairbanks Schist unit hosts commercially viable mineralization elsewhere in the Fairbanks Mining District. Rocks of the Cleary Sequence and Fairbanks Schist unit are present in the headwaters of many of the streams that have been mined for placer gold in the past.

The project is hosted in poly-deformed Paleozoic metamorphic rocks intruded by mid-Cretaceous intrusive rocks that are genetically associated with gold mineralization. Favorable host rocks at Gil are predominantly calc-silicate rocks, although gold mineralization can be found in quartz-mica schist, felsic schist or the calcareous biotitechlorite-quartz schist. Gold is hosted in quartz-rich veins and replacement zones and is associated with anomalous arsenic and bismuth.

Exploration conducted in the 1990’s identified widespread structurally-controlled gold mineralization at the Main Gil and North Gold prospects. Extensive drilling, sampling, and trenching in between 1992 and 2004 defined the extent of gold mineralization in these areas and also developed several other exploration targets. The Gil prospect’s lode deposits, principally the Main, North Gil, and Sourdough Ridge Zones, have been partially tested by 92 core holes totaling 36,084 feet, 364 reverse circulation drill holes, totaling 110,844 feet, and 21 trenches with a combined length of over 7,420 feet.

As currently known, the majority of the Gil’s total gold resource is contained in the Main Gil deposit. This northeast striking, steeply north dipping calc-silicate unit remains open at depth and along strike. The east-west striking, north dipping North Gil resource area is hosted primarily in quartz veins in quartz-mica schist, felsic schist or the calcareous biotite-chlorite-quartz schist. A significant gold anomaly has been outlined between the Main Gil and North Gil deposits and at the intersection zone where the Main Gil and North Gil trends cross. Drilling in all of these areas has yielded positive results.

Significant exploration results have also been generated on the Sourdough Ridge prospect. Soil sampling, ground-based magnetometer surveys, and drilling have yielded significant results and the new data suggests that these anomalies are due to a series of northeast trending, steeply dipping quartz veins that coalesce into ore zones that may be potentially mineable.

Several other exploration targets have been identified but have not been fully tested. These targets include gold anomalies located along All Gold Ridge, a calcsilicate layer identified north of the North Gil Zone, gold-bismuth-bearing quartz veins on the western Gil project and a gold anomaly outlined to the south of the Main Gil Zone. Additional exploration work will be needed in these areas to determine their potential.

On January 24, 2011 we announced the receipt of the 2010 Gil Joint Venture Annual Report. The goal of the 2010 Gil program was to further delineate the strike extension of the mineralized zones, and to infill between step-out holes, in order to gain a better understanding of ore-zone continuity. Drilling began April 12 and concluded on August 16. The exploration program consisted of 14,977.5 feet of drilling: 27 reverse-circulation (RVC) drill holes, totaling 9,546 feet, and 11 core holes, totaling 5,431.5 feet.

Previous exploration work has outlined three mineralized areas: The Main Gil Zone, The North Gil Zone, and Sourdough Ridge. Gold mineralization within the Gil JV Claim Block has been traced along the Main Gil Trend for approximately 3,000 feet. In the North Gil Zone, exploration work has outlined mineralization across a 2,000-foot trend. The 509 Trend, located on Sourdough Ridge, has been traced along strike for 2,000 feet. Mineralization along the Northern Calc-silicate unit, located in the northern portion of Sourdough Ridge, has been traced to the east for 600 feet.

KGC contracted Metallogeny, Inc. (MI), a privately owned geological contracting company, to perform the 2010 drilling program. MI also conducted a ground magnetometer survey, trench mapping and sampling, metallurgical sampling, section review, and interpretation for the Gil Project.

A report on the heap leach cyanidation testing on the Gil project drill core samples, by McClelland Laboratories, was conducted using three drill core samples. The three Gil samples were amenable to simulated heap leach cyanidation treatment a 80% - 12.5 mm feed size.

Recommendations for 2011 are to continue stepping out along mineralized trends, and to utilize exploration data to re-focus target areas. A systematic trenching program, followed by drilling, is recommend for: the northeastern extension of the 509 Trend, specifically, the eastern slope of Lohr Ridge; the Northern Calc-silicate Unit, and the calc-silicate unit located between the North Gil and Main Gil areas. Trenches should be oriented perpendicular to the trend of mineralization and spaced at 200-to 400-foot intervals. The trench program will help focus drill targets over the excavated area and allowing for more aggressive step-outs along the specific trends. Trenching will also provide good access to the target areas. All prep work could be accomplished in winter months. Drilling in areas susceptible to muddy conditions could be ready for spring when the ground is still frozen. Trenching, access trails, and pad construction are essential for moving forward as drilling progresses along steep slopes. Completion of extensive surface improvement will be contingent on permit approvals, and approval of the 2011 budget.

On April 24, 2011 we announced that we have received the preliminary assessment for the property.

The measured, indicated and inferred resources contained at the property were determined at a cutoff grade of 0.015 oz Au/ton in order to correspond to the heap-leach ore cutoff grade currently being employed at the Fort Knox gold mine (see table below). These mineral resources are not mineral reserves and therefore have not been demonstrated to be economically viable.

Au-Extraction Method	Class (Resource)	Cutoff (oz/ton)	Avg. Au-grade Above Cutoff	Tons	Ounces GOLD
Heap Leach	Measured	0.015	0.0304	2,283,057.1	69,499.1
Heap Leach	Indicated	0.015	0.0279	9,571,130.0	267,408.0
Heap Leach	Inferred	0.015	0.0222	8,002,591.0	178,009.2
Total				**19,856,778.0**	**514,916.3**

The goal of this preliminary assessment was to determine a realistic/conservative net present value (NPV) and internal rate of return (IRR) one could expect from a hypothetical open-pit mining operation at the property. This assessment was based on the measured, indicated and inferred resources determined from the pre-feasibility resource estimation (Robinson, 2011). The methods used and assumptions made during the resource estimation were reviewed by the Qualified Person, Mark S. Robinson (Certified Professional Geologist #6414) and are NI 43-101 compliant.

This preliminary assessment will include inferred mineral resources and therefore we are required to provide the following cautionary statement required by section 2.3(3)(b) of the 43-101 Instrument:
"This preliminary assessment is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the results of this preliminary assessment will be realized."

The Gil joint venture gold property is still in the greenfields stage of exploration. As a result, few background studies have been conducted that relate to mining processes, engineering and expected costs during mine preparation, production and closure. In an attempt to avoid any error associated with a lack of information, it was decided to omit permitting costs, costs associated with land acquisition, exploration costs during production, and mine closure costs in this assessment. Working capital costs are expected to be quite low for Gil due to the assumption that all equipment and processing facilities used already exist and will be provided by Fort Knox. For this reason, working capital costs were included within the annual fixed costs.

During the year ended May 31, 2011, our share of the costs on the Gil property was $279,448, compared to $358,812 for the year ended May 31, 2010.

On September 21, 2011 we signed a letter of intent ("LOI") to sell all of our 20% interest in the Gil Venture property to FGM. In accordance with the terms of the LOI, FGM granted to us a production royalty equal to 1% of net smelter returns on all production from the property up to $15,000,000, after which the royalty is equal to 0.5% of the net smelter returns on all production from the property. At closing Fairbanks will pay US$2,500,000 as an advance payment of the production royalty. An additional advance payment of royalty of US$1,500,000 will be paid upon commencement of commercial production from a mine constructed on the property.

West Ridge Claims, Fairbanks Mining District, Alaska

We earned a 100% in the West Ridge mineral claims, comprising approximately 5,200 acres, located in the Dome Creek area of the Fairbanks district of Alaska, which claims are subject to a 1% net smelter return to the State of Alaska. The West Ridge property adjoins Kinross Gold Corp.'s True North gold deposit and lies approximately eight miles northwest of the producing Fort Knox gold mine. During the year ended May 31, 2011, we expended $8,165 (2010 - $Nil) on exploration expenditures on the West Ridge property. During the year ended May 31, 2011, we did not write off any exploration and development expenditures; during the year ended May 31, 2010, we wrote off cumulative exploration and development expenditures of $661,615, because during 2010 we did not carry out any exploration work. We will continue to maintain the claims and will only commence an exploration program once more funding is available.

Fish Creek Claims, Fairbanks Mining District, Alaska

In March 2002, we acquired from Linux Gold Corp., a company with common directors, an option to earn a 50% interest in the thirty Fish Creek claims, located in the Fairbanks Mining District in Alaska, by expending $500,000 US within three years and the issuance of 200,000 common shares, which shares were issued in December 2002. An additional 100,000 shares were issued in February 2007 in payment for an extension of the date on which expenditures were required to be completed to March 5, 2007, which dates was further extended to March 5, 2012.

Linux Gold Corp. will retain a 5% net royalty interest until we pay $2,000,000 US and/or back in for a 25% working interest prior to commencement of production. During the year ended May 31, 2010, we wrote off our cumulative exploration and development expenditures of $111,947 entirely, since the claims were not explored. We did not incur exploration and development expenditures on Fish Creek

Claims during the year ended May 31, 2011. We will continue to maintain the option agreement and will only commence an exploration program once more funding is available.

Silverknife, Laird, BC, Canada

Pursuant to agreements with Reg Technologies Inc. (“Reg”), SMR Investments Ltd. (“SMR”), Rapitan Resources Inc. (“Rapitan”), and Chevron Minerals Ltd. (“Chevron”), we acquired a 30% working interest in the Silverknife mineral claims, situated in the Liard Mining Division in the Province of British Columbia, subject to a 10% Net Profit Royalty to Rapitan and a 1% Net Smelter Returns to SMR. We have written down the acquisition costs to $1 and have written off the exploration and development expenditures on this property entirely, since the claims are not currently being explored.

On December 21, 2010 we announced our purchase of an additional 10% NPI in the Silverknife property for consideration of 200,000 common shares (issued on January 25, 2011), resulting in our total ownership of 30% working interest and a 10% net profit interest of the property.

Kahiltna Terrane Option, Alaska, USA

On September 1, 2010, we signed an option agreement to acquire a 50% interest in eleven mineral claims located in the Kahiltna Terrane area approximately 130 kilometers northwest of Anchorage, Alaska. On October 26, 2010, we staked and recorded an additional 23 mineral claims in the Kahiltna Terrane.

As at May 31, 2011 and the date of this report we plan to terminate the Option Agreement with the vendors. Accordingly, property cost of $7,500 and exploration costs of $34,261 were written off.

Oil and Gas Properties

Fayette and Burleson Counties, Texas

We own a 6.5% working interest (4.680% net revenue interest) in the Peters No. 1 Well, in Fayette County, Texas, and a 7.5% working interest (5.79375% net revenue interest) in each of the C-S #1, Jancik #2 and Herrmann #4 wells, located in Burleson County, Texas. During the fiscal year ended May 31, 2011, revenues of $32,969 were recorded from the Texas properties compared to revenues of $10,076 for the fiscal year ended May 31, 2010. The carrying cost of these wells has been completely depleted.

Selected Annual Information

The following information is derived from our financial statements for each of the three most recently completed financial years:

Description	May 31, 2011	May 31, 2010	May 31, 2009
Net Revenues	22,876	(1,667)	8,261
Net income or loss before discontinued operations and extraordinary items			
Total Per share	(530,566) (0.01)	(1,419,726) (0.02)	(454,573) (0.01)
Net Income or loss Total Per share	 (530,566) (0.01)	 (1,419,726) (0.02)	 (454,573) (0.01)
Total Assets	3,339,690	3,270,104	3,374,985
Long term financial liabilities	0	0	0
Cash dividends	N/A	N/A	N/A

Results of Operations

We incurred a net loss of $530,566 during the year ended May 31, 2011, compared to a net loss of $1,419,726 during the year ended May 31, 2010.

The significant decrease in loss was due to an exploration expenditures write-off of $45,815 in 2011, compared to $773,438 in 2010. During 2010, we wrote off $111,947 in cumulative exploration and development expenditures in our Fish Creek Property located in Fairbanks, Alaska, and cumulative exploration and development costs of $661,491 in our West Ridge property located in Dome Creek, Alaska, because the two claims were not explored during 2010. During 2011, we wrote off exploration costs of $11,554 on our Gold Hill claims and $34,261 on our Kahiltna Terrane claims, both incurred during 2011.

Other expenses that changed from 2010 to 2011 are as follows:

- In 2010, we recorded interest expense of $18,582 on the two convertible debentures issued in 2010; we did not record interest expense during 2011 because the convertible debentures were repaid on the first day of the year;
- In 2010, we incurred geological consulting fees of $41,915, which decreased to $1,172 in 2011 because most of the work needed for our properties was completed in 2010;
- Consulting, management and directors' fees increased slightly from $133,359 in 2010 to $139,344 due to a severance payment made to the former CFO ;
- Professional fees decreased from $59,726 in 2010 to $44,489 in 2011; and secretarial and employee benefits decreased from $41,925 in 2010 to $29,467 in 2011 due to our successful effort in streamlining our operations;
- Publicity, promotion and investor relations costs decreased from $228,196 in 2010 to $126,119 in 2011, and travel, auto and entertainment decreased from $30,972 in 2010 to $19,551 in 2011, due to our continuing effort to utilize more efficient investor awareness programs and communication methods.
- Stock-based compensation increased from $22,477 in 2010 to $63,775 in 2011 largely due to options granted to an investor relation consultant that fully vested during the year. All options vest 25% upon exercising of the prior 25%.

Liquidity and Capital Resources

As of May 31, 2011, we had a cash position of $19,371, compared to $257,650 as at May 31, 2010, representing a decrease of $238,279. As of May 31, 2011, we had a working capital of $42,452, compared to a working capital of $229,528 as at May 31, 2010.

During the year ended May 31, 2011, we issued the following equity securities for cash:

- On June 6, 2010, we issued 1,047,500 common shares upon the exercise of warrants at $0.10 per share, for gross proceeds of $104,750.

- On December 17, 2010, we issued 1,983,326 units pursuant to a private placement at $0.15 per unit, for gross proceeds of $297,499. Each unit consists of one common share and one share purchase warrant exercisable into our common stock at $0.20 per share, expiring December 17, 2011. A finders' fee of $11,570 was paid in connection with this private placement.

- On January 19, 2011, we issued 1,359,333 units pursuant to a private placement at $0.15 per unit, for gross proceeds of $203,900. Each unit consists of one common share and one share purchase warrant exercisable into our common stock at $0.20 per share, expiring January 19, 2012. A finders' fee of $6,993 was paid and 39,000 broker warrants were issued which are exercisable into our common stock at $0.20 per share, expiring January 19, 2012.

During the year ended May 31, 2011, we repaid convertible debentures of $60,000 borrowed during the year ended May 31, 2010.

During September, 2011, we signed a Letter of Intent to sell all our 20% interest in the Gil joint venture claims. Upon closing the transaction we will receive a US$2,500,000 advance royalty payment and an additional US$1,500,000 advance royalty payment will be paid upon commencement of production on the property. The definitive agreement has not been signed as of the date of this report.

All of our properties are at the early exploration stage. We do not expect to generate significant revenues in the near future from production and will continue to rely upon the sale of equity securities to raise capital or shareholder loans. Fluctuations in our share price may affect our ability to obtain future financing and the rate of dilution to existing shareholders.

We have no funding commitments or arrangements for additional financing at this time and there is no assurance that we will be able to obtain any additional financing on terms acceptable to us, if at all. Any additional funds raised will be used for general and administrative expenses and to carry out exploration programs. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise.

We estimate that we will require approximately $350,000 to fund our general and administrative expenses for the next twelve months. We will also require $100,000 to complete the proposed exploration program on the West Ridge mineral property. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise.

Summary of Quarterly Results

The following is a summary of our financial results of eight of our most recently completed quarters:

Description	Three Months ended May. 31, 2011 $	Three Months ended Feb. 28, 2011 $	Three Months ended Nov. 30, 2010 $	Three Months ended Aug. 31, 2010 $	Three months ended May 31, 2010 $	Three months ended Feb. 28, 2010 $	Three Months ended Nov. 30, 2009 $	Three Months ended Aug. 31, 2009 $
Revenues	*$7,824*	*$6,700*	*$11,785*	*$6,660*	*7,646*	*$1,064*	*$1,670*	*$1,007*
Income or loss before other items								
Total	*(114,892)*	*(159,882)*	*(158,461)*	*(97,331)*	*(958,937)*	*(158,356)*	*(215,639)*	*(86,794)*
Per share	*(0.002)*	*(0.002)*	*(0.002)*	*(0.00)*	*(0.01)*	*(0.003)*	*(0.004)*	*(0.002)*
Net loss for period								
Total	*(114,892)*	*(159,882)*	*(158,461)*	*(97,331)*	*(958,937)*	*(158,356)*	*(215,639)*	*(86,794)*
Per share	*(0.002)*	*(0.002)*	*(0.002)*	*(0.01)*	*(0.01)*	*(0.003)*	*(0.004)*	*(0.002)*

As we are in the exploration stage, variances by quarter reflect overall corporate activity and are also impacted by factors which are not recurring each quarter, such as exploration programs and financing costs.

The fluctuations in net loss are mainly due to the difficulties faced by small companies when it comes to raising funds in the current economic climate. When a financing is completed, expenditures rise, increasing the net loss. As those funds are allocated, expenditures decline, reducing the net loss.

Transactions with Related Parties

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. During the years ended May 31, 2011 and May 31, 2010, we entered into the following transactions with related parties:

- SMR Investments Ltd. ("SMR") is a private company controlled by an officer. Under a management contract with SMR, we agreed to pay $2,500 per month for management services. We were charged management fees by SMR of $30,000 during the year ended May 31, 2011 (2010 - $30,000; 2009 - $30,000). As of May 31, 2011, $8,776 (May 31, 2010 - $4,900) was payable to SMR.

- During the year ended May 31, 2011, director's fees of $12,000 (2010 - $12,000; 2009 - $16,500) were paid to our President.

- Fees of $6,493 (2010 - $5,039; 2009 - $9,409) were paid to KLR Petroleum Ltd. (which is controlled by our President) for administration of our payroll and benefit plan.

The following advances to/from related parties are unsecured, non-interest bearing and have no fixed terms of repayment. Unless otherwise indicated, the related parties share common directors and/or officers with our company:

Advances to related parties:

	May 31, 2011 **$**	May 31, 2010 $
IAS Energy, Inc.	**24,821**	24,821
Linux Gold, Inc.	**74,946**	72,672
REGI US, Inc.	**28,600**	28,600
	128,367	126,093

Advances from related parties:

	May 31, 2011 **$**	May 31, 2010 $
Reg Technologies Inc.	**7,213**	14,598
KLR Petroleum	**-**	5,990
SMR Investments Ltd.	**8,776**	4,900
	15,989	25,488

Significant Recent Developments

Letter of intent to sell all interest in Gil Venture Claims

On September 21, 2011, we signed a letter of intent ("LOI") to sell all of our remaining 20% interest in the Gil Venture property to Fairbanks. In accordance with the terms of the LOI, Fairbanks granted a production royalty equal to 1% of net smelter returns on all production from the property up to US$15,000,000, after which the royalty is equal to 0.5% of the net smelter returns on all production from the property. At closing, Fairbanks will pay US$2,500,000 as an advance payment of the production royalty. An additional advance payment of royalty of US$1,500,000 will be paid upon commencement of commercial production from a mine constructed on the property.

Directors and Officers

Our Board of Directors is as follows:

John Robertson
Donna Moroney
Suzan El-Khatib
Suzanne Robertson
Thomas Robertson

Our officers are:

John Robertson	*President and Chief Executive Officer*
Jane He	*Chief Financial Officer*

Share Capital

Our authorized share capital consists of 105,000,000 shares, divided into 100,000,000 common shares without par value and 5,000,000 preferred shares with a par value of $1.00 each. As of September 28, 2011, we have 72,103,605 common shares and no preferred shares issued and outstanding.

During the year ended May 31, 2011, we issued the following equity securities:

(a) On June 6, 2010 we issued 1,047,500 common shares for warrants exercised at $0.10 per share for gross proceeds of $104,750.

(b) On November 2, 2010, we issued 50,000 common shares to the vendor of the Kahiltna Terrane Option Agreement. The shares are valued at $7,500 based on the trading price of $0.15 on November 2, 2010, the issuance date of the shares.

(c) On December 17, 2010, we issued 1,983,326 units of capital stock pursuant to a private placement at $0.15 per unit. Each unit consists of one common share and one share purchase warrant exercisable into common stock at $0.20 per share, expiring December 17, 2011. A finders' fee of $11,570 was paid in connection with this private placement.

(d) On January 25, 2011, we issued 200,000 common shares as consideration for the purchase of an additional 10% NPR in the Silverknife property. The shares are valued at $32,000 based on the trading price of $0.16 on January 25, 2011, the issuance date of the shares.

(e) On January 19, 2011, we issued 1,359,333 units of capital stock pursuant to a private placement at $0.15 per unit. Each unit consists of one common share and one share purchase warrant exercisable into common stock at $0.20 per share, expiring January 19, 2012. A finders' fee of $6,993 was paid and 39,000 broker warrants were issued which are exercisable into common stock at $0.20 per share, expiring January 19, 2012.

During the year ended May 31, 2010, we issued the following equity securities:

(f) 2,120,000 units at a price of $0.075 per unit pursuant to a non-brokered private placement, for gross proceeds of $159,000. Each unit consisted of one common share and one-half share purchase warrant, with each full warrant entitling holder thereof to acquire one additional common share at an exercise price of $0.10 per share for a period of one year;

(g) 7,042,092 units at a price of $0.075 per unit pursuant to a non-brokered private placement, for gross proceeds of $528,157. Each unit consists of one common share and one share purchase warrant, with each warrant being exercisable for a period of two years, at a price of $0.10 per share in the first year, or at a price of $0.15 in the second year;

(h) 12,500 common shares pursuant to the exercise of 12,500 options at a price of $0.10 per share;

(i) 1,646,734 units at a price of $0.17 per unit pursuant to a non-brokered private placement, for gross proceeds of $279,948. Each unit consists of one common share and one share purchase warrant, with each warrant being exercisable at a price of $0.22 per share for a period of one year from the date of closing; and

(j) 7,042,092 common shares pursuant to the exercise of 7,042,092 warrants at a price of $0.10 per share; and

(k) 12,500 common shares pursuant to the exercise of 12,500 warrants at a price of $0.10 per share.

The following is a summary of the stock options and share purchase warrants outstanding as of the fiscal years ended May 31, 2011:

Stock Options:

Expiry Date	Exercise Price $	Number of Options	Remaining Contractual Life (years)	Number of Options Exercisable
November 2, 2011	0.180	25,000	0.42	6,250
April 24, 2012	0.150	1,650,000	0.90	412,500
November 7, 2012	0.220	25,000	1.44	6,250
March 10, 2013	0.210	75,000	1.78	18,750
October 30, 2014	0.185	225,000	3.42	56,250
November 5, 2014	0.185	50,000	3.44	12,500
April 19, 2015	0.240	100,000	3.89	25,000
August 26, 2013	0.190	250,000	2.24	250,000
		2,400,000		787,500

Warrants:

Expiry Date	Exercise Price $	Number of Warrants	Remaining Contractual Life (years)
December 17, 2011	0.20	1,983,326	0.55
January 19, 2012	0.20	1,398,333	0.64
		3,381,659	

Financial Instruments

Foreign exchange risk

We are primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are denominated in US dollars. We are also exposed to the impact of currency fluctuations on its monetary assets and liabilities.

Our operating results and the financial position are reported in Canadian dollars. Fluctuations in exchange rates will, consequently, have an impact upon our reported operations and may affect the value of our assets and liabilities.

We currently do not enter into financial instruments to manage foreign exchange risk.

We are exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

May 31, 2011	Cash	Accounts payable and accrued liabilities
US dollars	$ 19,318	$ 34,275

At May 31, 2011, with other variables unchanged, a +/-10% change in exchange rates would increase/decrease pre-tax loss by +/- $1,496.

Interest rate, credit and market risk

We have minimal cash balances and no interest-bearing debt. We have no significant concentrations of credit risk arising from operations. Our current policy is to invest any significant excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. We periodically monitor the investments we make and are satisfied with the credit ratings of our banks.

Receivables consist of HST due from the Federal Government. Management believes that the credit risk concentration with respect to receivables is remote.

Liquidity risk

We have no recent history of profitable operations and our present business is at an early stage. As such, we are subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources, and the lack of revenues. We have no investments in asset backed commercial paper.

In order to finance our exploration programs and to cover administrative and overhead expenses, we raise money through equity sales, from the exercise of convertible securities, and from the sale of investments. There can be no such assurance that we will be able to obtain adequate financing in the future or that the terms of any financing will be favourable. Many factors influence our ability to raise funds, including the state of the resource market and commodities prices, the climate for mineral exploration, our track record, and the experience and calibre of our management.

Fair Value Measurement

The Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments Disclosures" requires disclosure of a three-level hierarchy for fair value measurements based upon the significance of inputs used in making fair value measurements as follows:

> Level 1 – quoted prices in active markets for identical assets or liabilities.
>
> Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices).
>
> Level 3 – inputs for the asset or liability that are not based on observable market data.

At May 31, 2011, all of the financial instruments measured at fair value are included in Level 1.

Capital Management

Our capital consists of the items included in shareholders' equity. We manage the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of our assets.

Our objectives of capital management are intended to safeguard our ability to continue our development and exploration of our mineral properties and support any expansionary plans.

To effectively manage our capital requirements, we have in place a planning and budgeting process to help determine the funds required to ensure we have the appropriate liquidity to meet our development and exploration objectives.

Changes in Accounting Policies

The audited consolidated financial statements for the year ended May 31, 2011 have been prepared in accordance with Canadian generally accepted accounting principles.

IFRS Implementation Plan

We have commenced the development of an International Financial Reporting Standards ("IFRS") implementation plan to prepare for this transition, and are currently in the process of analyzing the key areas where changes to current accounting policies may be required. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures;
- Property and equipment (measurement and valuation);
- Stock-based compensation;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of our IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes and financial statement note disclosure. The table below summarizes the expected timing of activities related to our transition to IFRS:

Initial analysis of key areas for which changes to accounting policies may be required	Done
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives	Done
Assessment of first-time adoption (IFRS 1) requirements and alternatives	Done
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	Assessment done by the management; in discussion with auditors before finalizing
Resolution of the accounting policy change implications on the accounting processes	To be finalized
Quantification of the financial statement impact of changes in accounting policies	To be finalized

Subsequent Events

Subscription received for private placement

On August 2, 2011, we announced that we would be carrying out a non-brokered private placement of 1,500,000 units at a price of $0.10 per unit, for total gross proceeds of $150,000. To date, we have received gross proceeds of $47,500 as subscription for 475,000 units. Each unit consists of one common share and one share purchase warrant to purchase one common share at an exercise price of $0.15 per share, exercisable for one year after the issuance.

Letter of intent to sell all interest in Gil Venture Claims

On September 21, 2011, we entered into a letter of intent ("LOI") to sell all of our remaining 20% interest in the Gil Venture property to Fairbanks. In accordance with the terms of the LOI, Fairbanks granted a production royalty equal to 1% of net smelter returns on all production from the property up to US$15,000,000, after which the royalty is equal to 0.5% of the net smelter returns on all production from the property. At closing, Fairbanks will pay US$2,500,000 as an advance payment of the production royalty. An additional advance payment of royalty of US$1,500,000 will be paid upon commencement of commercial production from a mine constructed on the property.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Approval

Our Board of Directors have approved the disclosures in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Risks and Uncertainties

Our principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, but not limited to, environmental, metal prices, political and economical.

Although we have taken steps to verify the title to mineral properties in which we have an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

We have no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund our exploration program. The sources of funds available to us are the sale of marketable securities, sale of equity capital or the offering of an interest in its project to another party. There is no assurance that we will be able to obtain adequate financing in the future or that such financing will be advantageous to us.

The property interests owned by us or in which we have an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of our mineral exploration may not result in any discoveries of commercial bodies of mineralization. If our efforts do not result in any discovery of commercial mineralization, we will be forced to look for other exploration projects or cease operations.

We are subject to the laws and regulations relating to environmental matters in all jurisdictions in which we operate, including provisions relating to property reclamation, discharge of hazardous materials and other matters. We may also be held liable should environmental problems be discovered that were caused by former owners and operators of our properties in which we previously had no interest. We conduct our mineral exploration activities in compliance with applicable environmental protection legislation. We are not aware of any existing environmental problems related to any of our current or former properties that may result in material liabilities to us.

Additional Information

Additional information relating to our company is available on SEDAR at www.sedar.com.