

**Form 51-102F1**  
**Management Discussion and Analysis**  
**for**  
**ABITIBI MINING CORP.**

**For the Period Ended August 31, 2011**

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed interim financial statements of Abitibi Mining Corp (“Abitibi Mining” or the “Company”) for the three months ended August 31, 2011, prepared in accordance with International Financial Reporting Standards (“IFRS”) and the audited financial statements for the year end May 31, 2011, prepared in accordance with Canadian Generally Accepted Accounting Principles (“cGAAP”). [www.sedar.com](http://www.sedar.com)

This MD&A has been prepared as of November 28, 2011. All amounts are expressed in Canadian dollars unless otherwise stated.

**Forward Looking Information**

This MD&A includes some statements that may be considered “forward-looking statements”. All statements in this discussion that address the Company’s expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

**Company Overview**

Abitibi is a Canadian listed public company with its shares traded on the TSX Venture Exchange under the symbol “ABB” as a TSX-V Tier 2 Company.

Abitibi is a junior exploration company with no revenues from mineral producing operations. Activities include acquiring exploration and evaluation assets and conducting exploration programs. The Company may offer to a major mining company the opportunity to acquire an interest in a property in return for funding by the major mining company, of all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company does not use long term debt. Rather, it depends on the issue of shares from the treasury to investors. Such stock issues in turn depend on numerous factors, important among which are a positive mineral exploration climate, positive stock market conditions, a company’s track record and the experience of management.

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company’s website at [www.abitibi-mining.com](http://www.abitibi-mining.com).

**Overall Performance**

During the three month period ended August 31, 2011, the Company spent \$Nil on acquisition costs and \$615 on exploration. The exploration work was completed on the Red Hat property.

## Properties

### Tannahill - Other Properties

Included is the Tannahill property - located in Tannahill Township and owned 50% by the Company and 50% by a company with common directors. Payments on this property have been completed.

On April 5, 2011, the Company released a material change report disclosing the following.

- Previous drilling returned 5.16 g/t gold over 5.0m and 7.02 g/t gold over 3.7m in two separate drill holes.
- Previous drilling has identified two parallel gold-bearing structures – the Upper and Lower Zones.
- The Lower Zone traced for 300m of the strike length holds the greatest exploration potential and resembles Holloway and Gold Corp's Holt-McDermott style mineralization.

The winter 2010-2011 drill program visually indicates all holes intersected varying degree of mineralization of up to 15m of cored lengths.

Abitibi Mining Corporation and joint venture partner Sedex Mining Corp are pleased to announce a diamond drilling progress report on their Tannahill gold property, which is favourably situated 16km south of the past producing Holloway and Holt-McDermott gold mines and can be reached by road from Kirkland Lake, 35km to the southwest. Abitibi and Sedex are 50/50 partners and joint venture operators. Please see the location map.

The Tannahill property is underlain by a sequence of metamorphosed volcanic rocks, which in the southern portion of the property have been disturbed by a large syenite intrusion. Emanating from the intrusion and cross-cutting the host volcanic rocks are a series of radial syenite dykes, which are thought to have been formed when the syenite was intruded into the volcanic rocks, fracturing them. The radial fractures would be ideal passageways for the transportation of gold-bearing hydrothermal fluids and the deposition of gold mineralization.

Previous drilling has identified two parallel gold-bearing structures – the Upper and Lower Zones – oriented northeast and dipping to the north. Please refer to the attached cross section. The Lower Zone holds the greatest exploration potential and has been traced for approximately 300 m of strike length and remains open both along strike and dip of the vein. At depth the zones widen and grades appear to increase. Two holes below the 75-m level along 100 m of strike length have excellent widths with high gold grades (5.16 g/t over 5.0 m in drill hole T-96-9 and 7.02 g/t over 3.7 m in drill hole T-96-15). The drilling appears to substantiate the hypothesis of gold emplacement along radiating fractures. The Upper and Lower mineralized zones exhibit similarities with the style of mineralization in the Holloway and Holt-McDermott mines.

The winter 2010-2011 drill program consisted of five drill holes totaling 1380m. The exploration rationale was to extend the plunge of the high grade intersections contained with the Lower Zone, both up and down plunge. Three drill-holes were drilled to test the easterly down-plunge direction and another two drill holes were designed to infill data in the up-plunge direction. Core logging indicates all holes intersected varying degrees of mineralization from 0.5m to 15m of cored lengths.

All drill holes have been logged and selected sections are being sent for assaying. Assay results will be released as they become available.

Roger MacDonald (P.Geol) has reviewed this news release.

On June 2, 2011, the Company released a material change report disclosing the following.

The Company announced a diamond-drilling progress report on their Tannahill gold property, which is favourably situated 16 km south of the past-producing Holloway and Holt-McDermott gold mines and can be reached by road from Kirkland Lake, 35 km to the southwest. Please see the location map. Abitibi and Sedex are 50/50 partners and joint venture operators.

Previous drilling has identified two parallel gold-bearing structures – the Upper and Lower Zones – oriented northeast and dipping to the north. Please refer to the attached cross section. The Lower Zone holds the greatest exploration potential and has been traced for approximately 300 m of strike length and remains open both along strike and dip of the vein. At depth the zones widen and grades appear to increase. Two holes below the 75 m level along 100 m of strike length have excellent widths with high gold grades (5.16 g/t over 5.0 m in drillhole T-96-9 and 7.02 g/t over 3.7 m in drillhole T-96-15). The drilling appears to substantiate the hypothesis of gold emplacement along radiating fractures. The Upper and Lower mineralized zones exhibit similarities with the style of mineralization in the Holloway and Holt-McDermott mines.

The 2011 program was designed to test a possible easterly plunge to the Tannahill mineralization suggested from the forty historic diamond-drill holes drilled in 1996 and 1997. Three holes were allocated to test the 45-degree easterly plunge at staggered vertical depths on section 3+50 East (AMT-11-01), 4+00 East (AMT-11-03), and 4+50 East (AMT-11-02). The remaining two holes (AMT-11-04 on section 1+50 East and AMT-11-05 on 2+00 East) were planned to further resolve near-surface mineralization where an upper and a lower zone were articulated by the historic drilling. Some 1380 meters were drilled in the five holes and 711 samples were submitted for gold assay to Expert Laboratories of Rouyn-Noranda, Quebec.

All five drillholes in the 2011 program intersected strongly-fractured to micro-fractured zones with alteration flooding and sulphide mineralization. The zones also had a common fault association. Drillholes AMT-11-01 (on 3+50 East) and AMT-11-03 (on 4+00 East) intersected the mineralized zones at depths of 270 m and 315 m, respectively, and encountered the best mineralization in the program. AMT-11-01 assayed 1.36 g/t gold over 4.15 m from 308.85-313.00 m, including 2.37 g/t gold over 2.0 m from 310.0-312.0 m. The mineralized zone in AMT-11-03 assayed 0.95 g/t gold over 11.1 m from 357.90-369.00 m including 1.11 g/t over 1.0 m (359.0-360.0 m), and 2.31 g/t over 2.9 m (364.10-367.00 m).

Drillhole AMT-11-02 tested the easterly plunge of the mineralization at a similar elevation as AMT-11-01 but was 100 m further east on section 4+50 East. It appears to be above the down-plunge extension of the main mineralized corridor, and assay results were low. Holes AMT-11-04 (section 1+50 East) and AMT-11-05 (section 2+00 East) intersected altered, fractured, and mineralized corridors. Assays reached up to 4.0 g/t gold over 1.09 m in the upper zone in AMT-11-05, but, in both drillholes, adjacent assays tended to be much lower and fragmented across the zone, such that a competent aggregate was not sustained. Please refer to the significant assay table below.

Historic mineralization is characterized by a strong-fracturing to micro-fracturing of both the mafic volcanic sequence and the felsic intrusive rocks. The fracturing is accompanied by an alteration flooding with ankerite and silica, along with varying proportions of sericite, fuchsite/paragonite, hematite, and, up to 7-10% pyrite. Most intersections also have a fault component. Historic intersections of 7.02 g/t gold over 3.7 m in T96-15, and 5.16 g/t gold over 5.0 m in T96-9 highlight the upper level of historic assay results. The historic results are pre-National Instrument 43-101 and must be verified by a QP before they can be relied upon.

Please refer to the June 2, 1011 news release for detailed information on the holes.

### **Chapleau Diamond Project, Ontario**

In November 2005, the Company announced the acquisition of approximately 12,700 acres of prospective kimberlite ground in the Chapleau area of Ontario. Abitibi Mining has paid for the staking costs to earn a fifty (50%) percent working interest in the property. Staking has covered numerous zones with kimberlitic indicator minerals in sediments and till samples, and a series of circular airborne magnetic anomalies on strike with the discovery ground.

During the year ended May 31, 2011, the Company wrote off these claims as no exploration is planned.

### **Elliot Lake Uranium Project, Ontario**

The Company has assembled a large land position including ground which has been optioned and ground which has been staked within and around the Elliot Lake Uranium Camp and surrounding area in Ontario. This land package has been built based on historical drill records that intersected uranium mineralization similar in style to former Elliot Lake deposits. In addition, land positions within 40 kilometres of the Elliot Lake Camp have been acquired based on government airborne radiometric highs that are coincident with elevated uranium in lake sediments. The following properties have been optioned along with over 16,000 acres (6,400 hectares) of staked land.

*Elliot Lake Property* – An option to acquire a 100% interest in the Elliot Lake Property, located in Gunterman Township, within the Elliot Lake Camp of the Sault Ste. Marie Mining Division. New terms were signed on December 3, 2008 for \$37,500 (\$30,000 paid) and 25,000 shares (issued) and sufficient exploration work to keep the property in good standing.

During the year ended May 31, 2011, the Company wrote off these claims as no exploration is planned.

*Bolger Property* – An option to acquire a 100% interest in the Bolger Property, located in Bolger Township, within the Elliot Lake Camp of the Sault Ste. Marie Mining Division. New terms were signed on December 3, 2008 for \$37,500 (\$30,000 paid) and 25,000 shares (issued) and sufficient exploration work to keep the property in good standing.

During the year ended May 31, 2011, the Company wrote off these claims as no exploration is planned.

### **Troyhill Uranium Property, Ontario**

This large land package covers historical uranium occurrences as well as large areas with government airborne radiometric highs that are coincident with elevated uranium in lake sediments. Abitibi plans to compile existing data prior to using prospecting, mapping, geophysics and geochemistry to identify uranium targets for trenching and drilling.

The Company acquired an option to earn a 100% interest in the Troyhill Uranium Property, located in Monmouth Township, Southern Ontario Mining Division, Ontario. New terms were

signed on December 10, 2008 for \$17,500 and cash or shares equivalent to \$12,500. All payments on the property are completed.

During the year ended May 31, 2011, the Company wrote off these claims as no exploration is planned.

### **Centre Fire Lake Property, Ontario**

The Company acquired an option to earn a 100% interest in the Centre Fire Lake Property, located in Lomond and McIlraith Townships, Patricia Mining Division, approximately 38 km northeast of Dryden, Ontario. The property is accessible by road. In the late 1960s, Phelps Dodge Corp. intersected wide zones of low grade copper mineralization such as 270 feet averaging 0.16% copper from limited drilling. Anomalous gold and nickel values were also encountered in the thick sequences of mafic flows that locally contain semi massive to massive sulphide pods within intensely silicified and/or carbonate altered zones. No further work has been carried out on the property.

Abitibi plans to complete compilation work on the property and conduct an airborne VTEM survey to locate potential volcanogenic massive sulphide bodies containing copper, zinc, silver or gold.

### **Red Hat property, Ontario**

(Previously presented in the “Other” column in the mineral property costs schedule) The property is located in Webb, Lomond and McIlraith Townships. In October 2008 the Company received regulatory approval for the acquisition of a 100% interest in this property. Terms are \$40,000 (\$20,000 completed) and 32,500 shares (16,875 issued) and a 3% NSR, with a 1.5% buyback for \$1.0 million and an additional 0.5% buyback for a further \$1.0 million.

### **Red Hat and Centre Fire update**

On May 30, 2011, the Company put out a news release announcing the completion of diamond drilling on their Redhat and Center Fire Lake properties located primarily in the McIlraith township of North-West Ontario. The properties are easily accessed by way of Highway 72, thirty-seven kilometres south-west of the town of Sioux Lookout, then north approximately 20 kilometres by wellmaintained logging roads.

The Redhat and Center Fire properties are hosted in the Cu-Pb-Zn-bearing Sturgeon Lake Greenstone belt and lie 100km west of the Cu-Pb-Zn deposits on the south shore of Sturgeon Lake mine that produced a total of 19M tonnes of ore averaging 9% zinc, 1.5% copper, 149g/tonne Ag and 0.5 g/tonne Au. Another nearby past producing mine in the Sturgeon Lake Greenstone belt is the St. Anthony Mine, which produced 63,310 ounces of gold at an average 6.6 g/tonne.

Copper and gold mineralization on the properties is hosted in a separate and under-explored felsic-mafic succession that is believed to be coeval with the Sturgeon Lake deposits.

Additionally, the lower basalt formation at the Center Fire Lake property is host to structurally controlled chalcopyrite mineralization that is possibly remobilized from a metamorphosed sulphide lens higher up in the succession or from a hydrothermal feeder pipe at depth.

Between the rhyolite and basalt there are disseminated sulphides in a tuffaceous member. The upper rhyolites host previously drilled, intersected base metal massive sulphide horizons. The overlying coarse sediments contain sulphide clasts presumably derived from an eroded sulphide source.

The intervals described below are cored lengths. Stratigraphy is believed to be roughly eastwest striking; steeply (75-85 degrees) north dipping and drill holes are oriented to the south, roughly perpendicular to the strike direction. See Table 2011 Drill Holes Assays for a list of significant intersections, and also please refer to the drill hole location map on the May 30, 2011 news release on [www.sedar.com](http://www.sedar.com).

#### **MASSIVE SULPHIDE DISCOVERY HOLE:**

Drill hole RH11-03 tested a coincident VTEM/magnetic anomaly located to the south of Center Fire Lake. The hole cored a massive sulphide bed and a succession of intermediate volcanoclastics, chlorite-garnet schists to a termination depth of 198.2m. The 6.3m massive to semi-massive sulphide bed, comprised primarily of pyrite, pyrrhotite and minor sphalerite, was anomalous in zinc (369ppm) throughout the interval and anomalous in gold (0.220 g/t) in the first 2.3m of the interval starting at 98.2m. Significant gold tenors are associated with the contacts between the volcanoclastic beds and the chlorite-garnet schists, 9.17 g/t Au over 1.2m and 3.36 g/t Au over 1.5m at 131.5m and 148.5m, respectively.

This is the first drilling program the company has performed on the property and the area remains highly prospective. Encouraging results from hole RH11-03 have generated another target area for follow-up. The contact between the intermediate volcanics and the chlorite schists is widespread throughout the claim block and represents several kilometres of target area. There are, however, several targets that remain untested, namely the VTEM/magnetic anomalies, the basalt-rhyolite contact, and the structurally hosted copper to the north.

#### **Results of Operation**

For the quarter ended August 31, 2011, the Company had a net comprehensive loss of \$56,346 compared to a net comprehensive loss of \$26,012 for the quarter ended August 31, 2010. The changes from the prior year are mainly due to increased operating activities:

- An increase to \$15,000 (2010 – \$6,000) in office administration expense;
- An increase of consulting fees to \$27,144 (2010 - \$10,000);
- A decrease to \$Nil of Part XII.6 tax (2010 – \$4,024) due to the renouncing of expenses financed from flow-through shares.
- An increase to \$9,750 in travel (2010 – \$(408))

A private company controlled by one of the directors charged \$15,000 for the period ended August 31, 2011 (2010 - \$6,000), in respect of office administration costs on behalf of the Company. See “*Transactions with Related Parties*” below.

#### **Summary of Quarterly Results**

The following table sets forth selected quarterly financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars.

<b>Quarter Ending</b>	<b>Revenue</b>	<b>Comprehensive Loss (Income)</b>	<b>Comprehensive Loss (Gain) per Share</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
August 31, 2011 (IFRS)	Nil	56,346	0.00
May 31, 2011 (IFRS)	Nil	225,331	0.01
February 28, 2011 (IFRS)	Nil	336,190	0.02
November 30, 2010 (IFRS)	Nil	210,220	0.02
August 31, 2010 (IFRS)	Nil	26,012	0.00
May 31, 2010 (cGAAP)	Nil	490,441	0.04
February 28, 2010 (cGAAP)	Nil	(62,156)	(0.00)
November 30, 2009 (cGAAP)	Nil	228,054	0.02

**NOTE:** There were no discontinued operations or extraordinary items on the Company's financial statements during the above mentioned periods. The large increase in May 2010 relates mostly to property write off.

### **Liquidity and Capital Resources**

The Company has financed its operations almost exclusively through the sale of its common shares to investors and will be required to continue to do so for the foreseeable future. Working capital deficiency was \$673,650 as at August 31, 2011 (May 31, 2011 - \$571,689).

The Company does not have sufficient working capital to meet its obligations for the next 12 months. Additional capital will be required to meet the obligations of flow-through investments, option agreements and to continue work on its other properties and to meet the working capital requirements. The Company has completed the following private placements in the current period and last fiscal year to meet its capital requirements.

### **Off-Balance Sheet Arrangements**

The Company has not entered into any off-balance sheet arrangements.

### **Transactions with Related Parties**

#### Key Management Compensation

	THREE MONTHS ENDED AUGUST 31	
	2011	2010
Consulting fees and wages	\$ 14,000	\$ 10,000

Payments to key management personnel including the President, Chief Financial Officer, Directors and companies directly controlled by key management personnel are consulting fees or wages and are directly related to their position in the organization.

### Other Related Party Transactions

In addition to related party transactions disclosed in the available-for-sale investments note and the exploration and evaluation assets note, the Company entered into the following transactions and had the following balances payable with related parties. The transactions were recorded at the exchange amount agreed to by the related parties. Balances outstanding are non-interest bearing, unsecured and had no specific terms for collection or repayment.

- a) Due to related parties comprised \$187,870 (May 31, 2011- \$120,103; June 1, 2010 - \$9,912) payable to a company controlled by a director and companies with common directors.
- b) Under an annual renewable agreement for services and cost recovery, the Company was charged administration fees of \$15,000 (August 31, 2010 - \$6,000) by a company controlled by a director. The same company also charged \$Nil (August 31, 2010 - \$1,900) for automobile rental, and \$Nil (August 31, 2010 - \$6,000) for core storage facilities. The rental and storage charges were capitalized to exploration and evaluation assets. The agreement can be terminated by either party with 30 days notice. The services to the Company included supervision and administration of the financial requirements of the Company's business, producing quarterly accounts in accordance with public reporting requirements; communicating with various regulatory authorities to ensure compliance with all applicable laws; professional analysis and planning of exploration programs, assisting in the preparation of news releases, promotional materials and other documents required to be disseminated, responding to any requests for information and questions; providing secretarial services and legal consultation; office space, office furniture, boardroom facilities, photocopier, fax and such other amenities normally associated with office needs; and providing such other additional instructions and directions as required.

### ***Risks and Uncertainties***

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below.

The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

### ***Financing***

The Company's future financial success depends on the ability to raise additional capital from the issue of shares or the discovery of properties which could be economically justifiable to develop. Such development could take years to complete and resulting income, if any, is difficult to determine. The sales value of any mineralization potentially discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced.

### ***General Resource Exploration Risks and Competitive Conditions***

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets and processing equipment, and changes to

government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

### ***Governmental Regulation***

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

### **Proposed Transactions**

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and or development of certain properties.

### **Recent Accounting Pronouncements**

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures. The Company has not yet assessed the impacts of the standards or determined whether it will adopt the standards early.

#### *IFRS 9 – Financial Instruments*

IFRS 9 establishes the requirements for recognizing and measuring financial assets and financial liabilities. This new standard is effective January 1, 2013 with earlier application permitted.

#### *IFRS 11 - Joint Arrangements*

IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31: Interests in Joint Ventures and SIC 13: Jointly Controlled Entities - Non-Monetary Contributions by Venturers. This new standard is effective January 1, 2013 with earlier application permitted.

#### *IFRS 12 - Disclosure of Interests in Other Entities*

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. This new standard is effective January 1, 2013 with earlier application permitted.

#### *IAS 12 - Income Taxes*

IAS 12 addresses the recovery of underlying assets. This amendment is effective January 1, 2012 with earlier application permitted.

#### *IAS 27 - Separate Financial Statements*

IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9. This new standard is effective January 1, 2013 with earlier application permitted.

*IAS 28 - Investments in Associates and Joint Ventures*

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This amendment is effective January 1, 2013 with earlier application permitted.

**Financial Instruments and Other Instruments**

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in resource properties has full exposure to commodity risk, both upside and downside. As the metal price moves so too does the underlying value of the Company's metal projects.

**Outstanding Share Data**

Common Shares

The authorized share capital consists of an unlimited number of common shares. As of November 28, 2011, an aggregate of 19,909,444 common shares were issued and outstanding.

Warrants

The Company has the following warrants outstanding as of November 28, 2011:

<b>Number of shares</b>	<b>Price per share</b>	<b>Expiry Date</b>
887,500	\$0.80	September 30, 2014
362,500	\$0.80	November 16, 2014
1,250,000	\$0.80/\$0.80/\$1.20/\$1.60	December 28, 2010/2011/2012/2013
151,250	\$0.80/\$0.80/\$1.20/\$1.60	January 6, 2011/2012/2013/2014
1,100,000	\$0.80/\$0.80/\$1.20/\$1.60	February 1, 2011/2012/2013/2014
250,000	\$0.80/\$0.80/\$1.20/\$1.60	February 1, 2011/2012/2013/2014
1,025,000	\$0.15	November 24, 2013
128,000	\$0.10	November 24, 2012
1,750,000	\$0.15	December 16, 2013
251,500	\$0.10	December 16, 2012
175,000	\$0.15	December 28, 2013
147,000	\$0.10	December 28, 2012
141,400	\$0.155	December 28, 2012
8,400	\$0.105	December 28, 2012
<b>7,627,550</b>		

Options

The following summarizes information about the stock option outstanding as of November 28, 2011:

<b>Number of Options</b>	<b>Price per Option</b>	<b>Expiry Date</b>
154,375	\$0.80	February 26, 2014
349,375	\$0.80	February 11, 2017
<b>503,750</b>		

## **Investor Relations**

Directors and Officers of the Company all participate in a limited investor relations program. The Company attends trade shows for external promotional activities. Costs allocated to investor relations are comprised of promotional expenses incurred by Directors and Officers of the Company.

## **Disclosure Controls and Procedures**

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP. The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **Change of Director and Corporate Secretary**

On May 26, 2011, Lynn Evoy resigned as director. Mr. Steven J. Chan has accepted appointment as a director.

On July 14, 2011, the Company announced the resignation of Diana Mark as Corporate Secretary and the appointment of John-Mark Campbell as Corporate Secretary.

## **Change in Accounting Policies**

Please refer to Note 3 of the August 3, 2011 Condensed Financial Statements for a detailed list of the new accounting policies.

## **Transition to IFRS**

Please refer to Note 2 and 11 of the August 31, 2011 Condensed Financial Statements for IFRS transition details.