

Golden Harp Resources Inc.
Condensed Interim Financial Statements
Three Months Ended September 30, 2011

Expressed in Canadian Dollars

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Golden Harp Resources Inc.
Consolidated statements of financial position
(Expressed in Canadian dollars – unaudited)

	Notes	September 30, 2011	June 30, 2011 (Note 16)	July 1, 2010 (Note 16)
ASSETS				
Current assets				
Cash and cash equivalents	4	\$ 115,482	\$ 79,681	\$ 87,719
Short-term investments	5	490,100	731,600	138,000
Receivables	6	15,687	68,386	3,398
Prepaid expenses		4,063	5,394	7,282
		625,332	885,061	236,399
Non-current assets				
Restricted cash	7	23,000	23,000	23,000
Garnished funds		-	-	169,464
Exploration and evaluation assets	8	3,840,048	3,840,048	4,570,546
		3,863,048	3,863,048	4,763,010
TOTAL ASSETS		\$ 4,488,380	\$ 4,748,109	\$ 4,999,409
LIABILITIES				
Current liabilities				
Trade payables and accrued liabilities	9	\$ 13,906	\$ 20,654	\$ 24,793
TOTAL LIABILITIES		13,906	20,654	24,793
SHAREHOLDERS' EQUITY				
Share capital	10	6,114,858	6,114,858	6,114,858
Reserves		767,101	977,551	738,176
Deficit		(2,407,485)	(2,364,954)	(1,878,418)
TOTAL EQUITY		4,474,474	4,727,455	4,974,616
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 4,488,380	\$ 4,748,109	\$ 4,999,409

GOING CONCERN CONTINGENCY (Note 1)

COMMITMENTS (Note 15)

Approved on Behalf of the Board:

/s/ "Seamus Young"

Seamus Young, Director

/s/ "Shaun Maskerine"

Shaun Maskerine, Director

Golden Harp Resources Inc.
Consolidated statements of comprehensive loss
(Expressed in Canadian dollars – unaudited)

	Notes	Three month periods ended	
		September 30, 2011	September 30, 2010 (Note 16)
Expenses			
Business development		\$ 993	\$ 2,187
Office and general		10,680	12,765
Professional fees		3,712	6,301
Salaries and management, consulting and directors fees		26,005	27,135
Stock based compensation		-	195,075
Transfer agent and filing fees		596	2,532
		(41,986)	(245,995)
Other items			
Interest Income	7	55	52
Gain on sale of marketable securities		5,150	-
		5,205	52
Loss before income taxes		(36,781)	(245,943)
Income tax recovery	12	(5,750)	-
Net loss for the period		\$ (42,531)	\$ (245,943)
Other comprehensive loss (income)			
Unrealized gain/(loss) on marketable securities, net of future income tax		\$ (204,800)	\$ 88,500
Reclassification adjustment for gains included in net loss upon sale of marketable securities		(5,650)	-
Total other comprehensive income (loss)		(210,450)	88,500
Total comprehensive loss for the period		\$ (252,981)	\$ (157,443)
Loss per share – basic and diluted	10	\$ (0.002)	\$ (0.010)

See accompanying notes to the financial statements

Golden Harp Resources Inc.
Consolidated statement of changes in shareholders' equity
(Expressed in Canadian dollars – unaudited)

	Notes	Share capital		Reserves			Total
		Number of shares	Amount	Share-based payment reserve	Investment revaluation reserve	Deficit	
Balance at July 1, 2010	16	24,684,042	\$ 6,114,858	\$ 708,176	\$ 30,000	\$ (1,878,418)	\$ 4,974,616
Comprehensive loss:							
Loss for the period		-	-	-	-	(245,943)	(245,943)
Unrealized gain on marketable securities		-	-	-	88,500	-	88,500
Total comprehensive loss for the period		-	-	-	88,500	(245,943)	(157,443)
Transactions with owners, in their capacity as owners, and other transfers:							
Stock-based compensation		-	-	199,125	-	-	199,125
Balance at September 30, 2010		24,684,042	\$ 6,114,858	\$ 907,301	\$ 118,500	\$ (2,124,361)	\$ 5,016,298
July 1, 2011	16	24,684,042	\$ 6,114,858	\$ 907,301	\$ 70,250	\$ (2,364,954)	\$ 4,727,455
Comprehensive loss:							
Loss for the period		-	-	-	-	(42,531)	(42,531)
Unrealized loss on marketable securities		-	-	-	(204,800)	-	(204,800)
Reclassification adjustment for gains included in net loss upon sale of marketable securities		-	-	-	(5,650)	-	(5,650)
Total comprehensive loss for the period		-	-	-	(210,450)	(42,531)	(252,981)
Balance at September 30, 2011		24,684,042	\$ 6,114,858	\$ 907,301	\$ (140,200)	\$ (2,407,485)	\$ 4,474,474

See accompanying notes to the financial statements

Golden Harp Resources Inc.
Consolidated statements of cash flows
(Expressed in Canadian dollars – unaudited)

	Three month periods ended	
	September 30, 2011	September 30, 2010 (Note 16)
Operating activities		
Loss before income taxes	\$ (42,531)	\$ (245,943)
Adjustments for non-cash items:		
Gain on sale of marketable securities	(5,150)	-
Stock-based compensation	-	195,075
Future income tax recovery	5,750	-
Changes in non-cash working capital items:		
Amounts receivable	52,699	(7,705)
Prepaid expenses	1,331	(3,586)
Trade payables and accrued liabilities	(6,748)	14,918
Net cash flows from (used in) operating activities	5,351	(47,241)
Investing activities		
Expenditures on exploration and evaluation assets	-	(19,234)
Proceeds on sale of marketable securities	30,450	-
Proceeds from property Agreement	-	100,000
Net cash flows from investing activities	30,450	80,766
Increase in cash and cash equivalents	35,801	33,525
Cash and cash equivalents, beginning	79,681	87,719
Cash and cash equivalents, ending	\$ 115,482	\$ 121,244

1. Nature and continuance of operations

Golden Harp Resources Inc. (the "Company") was incorporate on May 3, 2006, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition, exploration and development of mineral properties throughout Canada. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "GHR.V".

The head office, principal address and records office of the Company are located at 1050 West Pender Street, Suite 910, Vancouver, British Columbia, Canada, V6E 3S7. The Company's registered address is 1140 West Pender Street, Suite 1620, Vancouver, British Columbia, Canada, V6E 4G1

These unaudited condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2011 the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on December 12, 2011 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2011. However, this interim financial report, being the first IFRS financial report, provides selected significant disclosures that are required in the annual financial statements under IFRS. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS are provided in Note 16.

Basis of preparation

The condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

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

Farms outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments (cont'd)

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include property, plant and equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of assets (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability") and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

2. Significant accounting policies and basis of preparation (cont'd)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

3. Accounting standards issued by not yet effective

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2013.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

4. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	September 30, 2011	June 30, 2011
Cash at bank	\$ 84,751	\$ 79,400
Cash at broker	30,731	281
	\$ 115,482	\$ 79,681

5. Short-term investments

Short-term investments consist of shares of unrelated listed companies.

6. Accounts receivable

	September 30, 2011	June 30, 2011
Value-added tax receivables	\$ 15,561	\$ 11,565
Other receivables	126	56,821
	\$ 15,687	\$ 68,386

Golden Harp Resources Inc.
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars - unaudited)
For the three month periods ended September 30, 2011 and 2010

7. Restricted cash

The Company has provided a corporate credit card for a director with a credit limit of \$20,000. As collateral for the credit card, the Company has a one-year renewable term GIC deposit of \$23,000 earning interest.

8. Exploration and evaluation assets

Canada	Total for year ended September 30, 2011	Current expenditures	Total for year ended June 30, 2011	Current expenditures	Total for year ended June 30, 2010
Copper Hill Property, Ontario					
Property acquisition costs	\$ 3,272,394	\$ -	\$ 3,272,394	\$ -	\$ 3,272,394
Exploration and evaluation costs					
Accommodation and meals	\$ 83,161	\$ -	\$ 83,161	\$ 1,646	\$ 81,515
Assay and soil sampling	166,623	-	166,623	-	166,623
Diamond drilling	479,891	-	479,891	-	479,891
Geochemical	32,661	-	32,661	-	32,661
Geological wages and miscellaneous	209,310	-	209,310	4,050	205,260
Line cutting	74,192	-	74,192	-	74,192
Miscellaneous	56,622	-	56,622	5,749	50,873
Supervision	19,250	-	19,250	6,500	12,750
Surveys	292,814	-	292,814	-	292,814
Travel and Transport	28,106	-	28,106	6,557	21,549
Wages	38,024	-	38,024	-	38,024
	\$ 1,480,654	\$ -	\$ 1,480,654	\$ 24,502	\$ 1,456,152
Other:					
Option payments received	(913,000)	-	(913,000)	(755,000)	(158,000)
	(913,000)	-	(913,000)	(755,000)	(158,000)
Total	\$ 3,840,048	\$ -	\$ 3,840,048	\$ (730,498)	\$ 4,570,546

8. Exploration and evaluation assets (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

Copper Hill Project, Ontario

Effective May 31, 2006, the Copper Hill Property was purchased from Acme Resources Inc. ("ARI"). At May 31, 2006 the Company was 100% owned by ARI. The acquisition price of \$3,200,000 was based on the valuation of an independent geologist. The payment on the property was completed by issuing 10,000,000 common shares of the Company to ARI at \$0.32 per share. Certain of the mineral claims are subject to net smelter return royalties ("NSR") varying from 1% to 3%. The Company is entitled to purchase all or part of the NSR's depending on the agreements.

Block A.

- a. On June 1, 2009, the Company signed an agreement granting Benton Resources Corp. ("Benton") the option to acquire an initial 60% interest in the Block A portion of the Copper Hill Property, which represents 351 of the Company's 855 claim units by paying the Company a total of \$75,000. Issuing the Company a total of 550,000 common shares in the capital stock of Benton and incurring a total of \$2,000,000 in exploration expenditures on the property.
- b. On October 26, 2010, Mineral Mountain Resources Ltd. ("Mineral Mountain") assumed all of Benton's rights and obligations under the Option Agreement dated June 1, 2009 between the Company and Benton.
- c. On May 2, 2011 Mineral Mountain provided the Company with notice ("Second Option Notice") of its intention to acquire a further 10% Interest in the property by paying the Company \$50,000 and incurring a further \$1,000,000 in costs on the property.

Mineral Mountain completed the exploration expenditure commitment of \$1,000,000 and earned an additional 10% interest in the property and thus holds a 70% interest in the Block A property.

- d. Pursuant to the Underlying Agreement, the Company and Mineral Mountain will jointly fund and manage the property in accordance with their participating interests held.

8. Exploration and evaluation assets (cont'd)

Copper Hill Project, Ontario (cont'd)

Main Block

On August 27, 2010, the Company signed an Option Agreement with Mineral Mountain whereby Mineral Mountain can acquire up to 60% of the Company's 100% interest in its Main Block portion of the Copper Hill Property, which represents 504 of the Company's 855 claim units by:

1. Paying the Company a total of \$650,000 in accordance with the following schedule:
 - a. \$100,000 received upon receipt of TSX-V approvals (received);
 - b. a further \$150,000 to be received on or before August 26, 2011 (not received); and
 - c. a further \$200,000 to be received on or before August 26, 2012; and
 - d. a further \$200,000 to be received on or before August 26, 2013.

2. Issuing the Company a total of 3,500,000 common shares in the capital stock of Mineral Mountain in accordance with the following schedule:
 - a. 750,000 common shares of Mineral Mountain received upon receipt of TSX-V approvals (received with a fair value of \$345,000);
 - b. a further 750,000 common shares of Mineral Mountain to be received on or before August 26, 2011 (not received); and
 - c. a further 1,000,000 common shares of Mineral Mountain to be received on or before August 26, 2012; and
 - d. a further 1,000,000 common shares of Mineral Mountain to be received on or before August 26, 2013.

3. Incurring a total of \$6,000,000 in exploration expenditures on the property as follows:
 - a. \$1,500,000 to be incurred on or before August 26, 2011 (not incurred);
 - b. \$3,000,000 to be incurred in aggregate on or before August 26, 2012; and
 - c. \$4,500,000 to be incurred in aggregate on or before August 26, 2013; and
 - d. \$6,000,000 to be incurred in aggregate on or before August 26, 2014.

Mineral Mountain failed to make the payments due as of August 26, 2011. The Company agreed to negotiate a potential amendment to the option. Subsequent to the end of the period, Mineral Mountain provided notice to the Company that it terminated its option on the Block A property.

9. Trade payables and accrued liabilities

	September 30, 2011	June 30, 2011
Trade payables	\$ 4,756	\$ 5,654
Accrued liabilities	9,150	15,000
	\$ 13,906	\$ 20,654

10. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2011 there were 24,684,042 issued and fully paid common shares (June 30, 2011 – 24,684,042).

Shares Issued

For the period ended September 30, 2011, the Company did not issue any shares.

During the year ended June 30, 2011 the Company did not issue any shares.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three month period ended September 30, 2011 was based on the loss attributable to common shareholders of \$42,531 (2010 - \$245,943) and the weighted average number of common shares outstanding of 24,684,042 (2010 – 24,684,042).

Diluted loss per share did not include the effect of 1,700,000 stock options as the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The exercise price of the options granted will be no less than 85% of the fair market value per share of common shares on the option grant date. Such options will be exercisable for a period of up to 10 years from the date of grant.

10. Share capital

Stock options (cont'd)

The changes in options during the three month period ended September 30, 2011 and the year ended June 30, 2011 are as follows:

	September 30, 2011		June 30, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	1,789,285	\$ 0.17	314,285	\$ 0.24
Options granted	-	-	1,475,000	0.16
Options expired	(89,285)	0.35	-	-
Options outstanding, end of period	1,700,000	\$ 0.16	1,789,285	\$ 0.17
Options exercisable, end of period	1,700,000	\$ 0.16	1,789,285	\$ 0.17

Details of options outstanding as at September 30, 2011 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding
\$0.10	0.12 years	75,000
\$0.13	0.13 years	75,000
\$0.16	3.45 years	1,475,000
\$0.35	0.07 years	75,000
\$0.16	3.77 years	1,700,000

The weighted average grant date fair value of options granted during the three month period ended September 30, 2011 was not applicable (2010 - \$0.16). The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	Three month period ended	
	September 30, 2011	Year ended June 30, 2011
Expected life of options	-	5 years
Annualized volatility	-	123%
Risk-free interest rate	-	2.41%
Dividend rate	-	0%

11. Reserves

Share based –payment reserve or Stock option reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

11. Reserves (cont'd)

Investment revaluation reserve

The investment revaluation reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses.

12. Related party transactions

Related party transactions

The Company incurred the following transactions with companies that are controlled by directors of the Company.

	Three month periods ended	
	September 30, 2011	September 30, 2010
Supervision services	\$ -	\$ 6,500
	\$ -	\$ 6,500

Key management personnel compensation

	Three month periods ended	
	September 30, 2011	September 30, 2010
Consulting fee – paid to a director of the Company	\$ 20,000	\$ 20,000
Management fee – services of Chief Financial Officer	650	750
Rent to a relative of a director – agreement terminated	-	1,500
	\$ 20,650	\$ 22,250

During the year ended June 30, 2010, a former director commenced legal proceedings against the Company claiming \$169,464 in terms of an employment agreement. At June 30, 2010, this amount was garnished by the British Columbia Court of Justice. During the year ended June 30, 2011, legal proceedings by a former director against the Company were settled outside the Court.

13. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in. As most of the Company's cash is held by the bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

13. Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at September 30, 2011:

	Within one year	Between one and five years	More than five years
Trade payables	\$ 13,906	\$ -	\$ -
	\$ 13,906	\$ -	\$ -

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates could have an impact on the Company's net loss of \$1,100.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2011	June 30, 2011
Cash and cash equivalents	\$ 115,482	\$ 79,681
Available-for-sale financial instruments:		
Short-term investments	490,100	731,600
Loans and receivables:		
Other receivables	15,687	68,386
	\$ 621,269	\$ 879,667

13. Financial risk management (cont'd)

Classification of financial instruments (cont'd)

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2011	June 30, 2011
Non-derivative financial liabilities:		
Trade payables	\$ 13,906	\$ 20,654
	\$ 13,906	\$ 20,654

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2011 and June 30, 2011:

	As at September 30, 2011		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 115,482	\$ -	\$ -
Short-term investments	490,100	-	-
	\$ 605,582	\$ -	\$ -
	As at June 30, 2011		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 79,681	\$ -	\$ -
Short-term investments	731,600	-	-
	\$ 811,281	\$ -	\$ -

14. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

At September 30, 2011 and June 30, 2011 all of the Company's assets are located in Canada.

15. Commitment

The Company is committed to aggregate premise lease payments of \$99,764 as follows:

- \$13,631 for fiscal 2012;
- \$20,617 for fiscal 2013;
- \$20,689 for fiscal 2014;
- \$21,480 for fiscal 2015;
- \$21,551 for fiscal 2016 and
- \$1,796 for fiscal 2017.

16. Transition to IFRS

As result of the Accounting Standards Board of Canada's decision to adopt IFRS for publicly accountable entities for financial reporting periods beginning on or after January 1, 2011, the Company has adopted IFRS in these financial statements, making them the first interim financial statements of the Company under IFRS. The Company previously applied the available standards under previous Canadian GAAP that were issued by the Accounting Standards Board of Canada.

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", July 1, 2010 has been considered to be the date of transition to IFRS by the Company. Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS.

Exemptions applied

The Company has applied the following optional transition exemptions to full retrospective application of IFRS:

- IFRS 2 "Share-based Payment" has not been applied to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to July 1, 2010, which has been accounted for in accordance with Canadian GAAP.

Additionally, in accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of July 1, 2010 are consistent with its GAAP estimates for the same date.

Effect of transition to IFRS

The transition to IFRS did not have any impact on:

- The shareholders' equity previously reported under Canadian GAAP as at July 1, 2010, September 30, 2010, and June 30, 2011;
- The comprehensive loss previously reported under Canadian GAAP for the three month period ended September 30, 2010, and the year ended June 30, 2011.

Reconciliation of Canadian GAAP to IFRS

The adoption of IFRS had no impact on the equity as at July 1, 2010, September 30, 2010 and June 30, 2011 and the comprehensive loss for the three months ended September 30, 2010 and the year ended June 30, 2011 that were previously reported in accordance with Canadian GAAP .

Under Canadian GAAP, amounts recorded in relation to the fair value of stock options granted and warrants issued were recorded to contributed surplus. Under IFRS, these amounts have been reclassified as reserves.



GOLDEN HARP

R E S O U R C E S I N C

GOLDEN HARP RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011

DATE

For the three months ended September 30, 2011.

INTRODUCTION

Golden Harp Resources Inc. was incorporated in the Province of British Columbia on May 3, 2006 and is extra-provincially registered in the Province of Ontario and the Province of Alberta. It is engaged in the acquisition, exploration and development of Canadian mineral properties. The Company is currently exploring for gold and base metals on its Copper Hill Property in Northern Ontario. The Company is a reporting issuer in British Columbia, Alberta and Ontario and its shares trade on the TSX Venture Exchange under the symbol GHR.

The following management discussion and analysis (MD&A) of the financial position of Golden Harp Resources Inc. (“Golden Harp” or “Company”) and results of operations should be read in conjunction with the interim financial statements for the period ended March 31, 2011 as well as the MD&A and the annual audited financial statements and accompanying notes for the year ended June 30, 2011. The un-audited interim financial statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance.

FORWARD LOOKING STATEMENTS

This MD&A may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming operation, exploration and business development plans. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Forward looking statements are usually identified by our use of certain terminology, including but not limited to “will”, “believes”, “may”, “expects”, “should”, “seeks”, “anticipates” or “intends” or by discussions of strategy or intentions.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove to be incorrect, our actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

This MD&A includes material occurring up to and including December 12, 2011.

OVERALL PERFORMANCE

Golden Harp’s Copper Hill property is located 100 kilometres south of Timmins, between Shining Tree and Gowganda, 87 kilometres southwest of Kirkland Lake along Highway 560 in Northern Ontario, Canada. It consists of 855 contiguous claim units covering approximately 145 square kilometers in the Larder Mining District of the prolific Abitibi Greenstone Belt. There are a number of high priority gold and base metal targets on the property, which require further evaluation.

Historical work to date on the various gold occurrences has shown that there is good potential for the property to host both narrow-vein, high-grade targets and near-surface, bulk tonnage targets. The property also hosts a number of base metal occurrences in and around the Copper Hill Zone. Further, there are also numerous additional gold and base metal occurrences, which have received limited or no exploration and require evaluation.

The property was 100%-owned subject to certain mineral claims, which are subject to net smelter royalties (“NSR”) varying from 1% to 3%. The Company is entitled to purchase all or part of the NSRs depending on the underlying option agreements.

The Company entered into an option agreement with Benton Resources Inc. on the Block A ground in June, 2009. The Block A Property represents 351 of the 855 claim units in the northeastern portion of the Company's claim block. Benton may earn up to a 70% interest by spending \$3 million in exploration, issuing the Company cash and common shares of Benton. On October 26, 2010, Mineral Mountain Resources Inc. assumed all obligations under the Benton Resources Inc. option agreement.

Mineral Mountain Resources Ltd. has fulfilled all conditions and has met all terms to earn a 70% interest in Block A of the Company's Property at Shining Tree and as such Mineral Mountain and Golden Harp have entered into a joint venture for future exploration and development of Block A.

The Company entered into a separate option agreement with Mineral Mountain Resources Inc. on the Main Block ground in August, 2010. The Main Block Property covers two historic gold occurrences including the Golden Sylvia Gold Zone and the North Foley Lake Gold Zone and represents one of the largest prospective land packages in the Shining Tree Mining Camp including a total of 504 of the 855 claim units in the Company's claim block. Mineral Mountain may earn up to a 60% interest in the Company's 90 km² Main Block gold property situated in MacMurchy Township, Ontario adjoining the western boundary of Tyrell Township in the Shining Tree Mining Camp by making \$650,000 Cash payments over a three year period, issuing a total of 3,500,000 common shares of Mineral Mountain over a three year period, and spending no less than \$6,000,000 on exploration of the property by August 26, 2014. Subsequent to the end of the period, Mineral Mountain provided notice that it had decided not to proceed with the Main Block option.

RESULTS OF OPERATIONS - MINERAL PROPERTY

Golden Harp Exploration:

During the fiscal year ended June 30, 2010, the Company completed a prospecting program to advance and prioritize targets for a future drill program. Approximately twelve areas of interest associated with induced polarization (IP) targets and/or magnetic anomalies were examined. On the west shore of North Foley Lake a strongly sheared and heavily carbonate altered quartz eye porphyritic intrusive was identified on the south side of a strong IP anomaly covered by low lying ground. The North Foley IP target appears to be related to a historical drill hole (CH05-14) under North Foley Lake a short distance east of the Golden Harp IP zone. Hole CH05-14 ended prematurely in disseminated sulphide mineralization hosted within altered leucoxene mafics marking the start of a new gold zone. Historical assays near the end of this hole returned 1.1 g/t gold over 1.4 metres from 347.1 to 348.5 metres, and the last metre of the hole assayed 1.35 g/t gold from 350 to 351 metres. At this time there is a distinct possibility that the IP target adjacent to the porphyry intrusive is representative of the strike extension of the new gold zone found at the bottom of CH05-14. Further drilling is required to fully evaluate this priority target. Further, sulphide zones with limited exposure were noted on two of the priority geophysical target areas and these zones returned anomalous gold values. Drilling is warranted to definitively evaluate these targets. The Company did not conduct any additional exploration during the current fiscal year.

Benton Resources and Mineral Mountain Resources Exploration on the Block A Option Ground:

During the first quarter of 2010, Benton continued an aggressive exploration program and began its second drill program on the Block A ground. The drill program was designed to follow up on the previously released high-grade results from the Cook Zone and to test the strike length of the MC Zone. The Cook Zone was subject to the first three holes. The remaining bulk of the drilling was focused on the MC Zone where exploration programs during the summer of 2009 identified a strike extensive coincident induced polarization chargeability response and soil geochemical anomaly up to 900 metres long where individual samples returned greater than 0.5 g/t gold with the highest value returning 5.11 g/t gold. This target occurs along strike to the north west of the MC Zone where diamond drilling in 2008 by Golden Harp intersected 3.6 g/t gold over 9.0m (including 14.29 g/t Au over 2.0m) from hole GH-019. A substantial drill program is planned to systematically test the new coincident soil and IP anomaly and the MC Zone. Prospecting and geological mapping programs continued concurrently.

Benton's exploration program also identified a new gold zone (the Crocker Zone) with assay results of up to 9.65 grams

per tonne (g/t) gold (Au) from surface grab samples. A total of 20 samples were collected over a strike length of 340 metres (m) with values ranging from 0.012 g/t to 9.65 g/t Au. Five of the samples returned gold values of greater than 2.0 g/t Au (9.65, 9.50, 6.07, 2.27 and 2.24 g/t Au) while 9 samples returned values ranging from 0.15 to 0.81 g/t Au. This new zone is located approximately 300m north of the MC zone. Like the MC zone, the Crocker Zone is hosted within pyrite-rich green carbonate altered ultramafic volcanic rocks.

During the second quarter of 2010 Benton Resources issued the drill results from the Phase 2 drill program on the Block A option ground. A compilation of Phase 1 and Phase 2 results for holes GH09-01 to GH09-10 on the Cook Zone identified a bulk tonnage gold target which includes intercepts of 1.69 g/t gold over 37.6 metres from GH09-01, 2.05 g/t gold over 45.1 metres from GH09-02, 1.36 g/t gold over 15 metres from GH09-09 and 0.92 g/t gold over 27 metres in GH09-10. See NR, November 20, 2009 for further details.

In addition, drilling identified wide zones of highly anomalous gold mineralization from the MC zone as well as from several Induced Polarization (IP) and soil geochemical targets located between the Cook and MC zones.

The Phase Two drill program included; three holes (GH09-08 to GH09-10) which tested the Cook zone, three holes (GH09-21 to GH09-23) which tested the MC zone and 11 holes (GH09-11 to 20 and GH09-23) which tested various IP and soil geochemical exploration targets located between the Cook and MC zones.

Benton issued drill results from the Phase 3 drill program on Block A during the last quarter of fiscal 2010. The 12 hole, 2,852 meter drill program consisted of a series of stratigraphic fences designed to test a wide area of low grade gold mineralization and alteration associated with the MC and Crocker zones. This altered and mineralized stratigraphy is over 300 metres in width and is bounded by two north-northwest faults splaying off of the Hydro Creek fault. Previous drilling by Golden Harp Resources (GH drill holes) and by Benton (GH09 drill holes) have intersected significant intervals of gold mineralization including 0.90 g/t Au over 43.8 metres (GH-25), 0.62 g/t Au over 28.3 metres (GH-23), 4.5 g/t Au over 7.0 metres and 0.68 g/t Au over 20.5 metres (GH-19) and 0.43 g/t Au over 56 metres (GH09-22). The drilling program was cut short due to the spring breakup.

Mineral Mountain announced a 3,500 meter drill program at the Cook zone during the second quarter of the fiscal year. The program was expanded to 10,000 metres during the current quarter. The drill program has been successful in expanding gold intersections to a depth of 300 m.

Highlights of the assays include:

- GH10-38 intersected 4.66 g/t Au over 14.0 m including 13.01 g/t Au over 4.0 m
- GH11-41 intersected 3.17 g/t Au over 15.0 m including 9.29 g/t over 4.05 m and 31.11 g/t Au over 1.05 m
- GH11-44 intersected 3.46 g/t Au over 13.25 m including 5.17 g/t over 6.9 m and 10.28 g/t Au over 1.0 m
- GH 11-53 intersected 67.5 m assaying 1.00 g/t Au including 13.5 m assaying 2.04 g/t

Mineral Mountain announced the results for an additional 6 diamond drill holes (GH11-55 to 59) at the Cook zone during the current quarter. Highlights of these results were:

- GH11-60 intersected 7.04 m assaying 4.284 g/t Au within a broader interval of 24.5 m assaying 2.444 g/t Au
- GH11-59, the deepest intersection in the Cook Zone to date at -400 m vertical, intersected 3 separate gold zones of 4.3 m grading 4.4 g/t Au, 3.0 m grading 2.7 g/t Au and 38.0 m grading 0.822 g/t Au.

Also during the current quarter, Mineral Mountain announced the final results of a combined 64 hole reverse circulation (RC) drilling program and a 292 shovel pit sampling program covering both the Main Block and Block A. This RC sampling technique has proven to be highly effective in identifying and pinpointing the best gold zones within large gold systems. The program succeeded in identifying a very fertile N-S gold corridor located in the northern part of Block A that is up to 5 km long ranging from 200 to 600 m wide.

Subsequent to the end of the quarter, Mineral Mountain announced results of five additional diamond drill holes (GH 11-

61 to GH 11-65) and intersections at 450 meters below surface at Block A. This drilling systematically extended the Cook Zone to -450 meters vertical along a northwest plunge under Ashburn Lake. These holes brought Mineral Mountain's total drilling to 11,734 meters and provides sufficient drill hole information to create a geological model and an in-house preliminary non 43-101 compliant resource.

The technical information regarding the Benton Resources Corp. exploration results is extracted from press releases issued by Benton Resources Corp. and technical information regarding the Mineral Mountain Resources Ltd. exploration results is extracted from press releases issued by Mineral Mountain Resources Ltd. Although Golden Harp believes the information included in the press releases to be generally reliable, the data has not been independently verified and Golden Harp does not assume any liability for the accuracy or completeness of such information.

RESULTS OF OPERATIONS - FINANCIAL

The Company is an exploration stage company without revenues. Net loss for the three month period ended September 30, 2011 was \$42,531 compared with \$245,943 for the same period the previous year, a decrease of \$203,412. Significant line item changes during the year were as follows:

- Stock-based compensation was \$Nil for the first quarter ended September 30, 2011 compared to \$195,075 for the same period the previous year.
- Professional fees were \$3,712 for the period compared to \$6,301. The decrease period over period resulted from decreased legal fees.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with September 30, 2011. Financial information is reported in Canadian Dollars.

	Sept 30, 2011 ¹	June 30, 2011 ¹	Mar 31, 2011 ¹	Dec 31, 2010 ¹	Sept 30, 2010 ¹	June 30, 2010 ²	Mar 31, 2010 ²	Dec 31, 2009 ²
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss)	42,531	(155,173)	(26,233)	(59,187)	(245,943)	(252,846)	(83,430)	(116,306)
Net income (loss) per share (Basic and diluted)	(0.002)	(0.007)	(0.001)	(0.002)	(0.010)	(0.010)	(0.003)	(0.005)

¹ Prepared in accordance with IFRS

² Prepared in accordance with Canadian GAAP

Notice of change in accounting standards.

The interim financial statements of the Company have been prepared for the last quarter in accordance with International Financial Reporting Standards ("IFRS"). Going forward, the Company expects to prepare its financial statements in accordance with IFRS. Until year end June 30, 2011 and prior to that date, the Company prepared the financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Accordingly, readers should realize that the information in the table above may not be strictly comparable, being based on two different sets of accounting standards.

Discussion

For each of the above periods, the Company had no revenue. A non-cash stock-based compensation charge of \$195,075 was recorded in the first quarter of 2011 and a non-cash stock based compensation charge of \$191,239 was recorded in the fourth quarter of 2010 due to the re-pricing and extension of warrants.

The operating results of junior exploration companies are capable of demonstrating wide variations from period to period. Other than the descriptions regarding administrative costs already discussed, management of Golden Harp does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations in any more detail than presented herein.

The Company's significant accounting policies are set out in Note 2 of the audited annual financial statements for the period ending September 30, 2011. All financial amounts are in Canadian dollars.

The interim unaudited financial statements for the three month period ending September 30, 2011 have been prepared on a going concern assumption which contemplates the Company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations as disclosed in Note 1 of the un-audited interim financial statements.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2011, current assets were \$625,332 consisting of \$115,482 in cash, \$490,100 in marketable securities and the remainder in Amounts Receivable and Prepaid Expenses. Current liabilities for the period totaled \$13,906, which consisted of Accounts Payable. As at September 30, 2011, the Company had working capital of \$611,426 which management considers sufficient to continue operations for the 2012 fiscal year.

For the period ended September 30, 2011, net cash gained in operating activities was \$5,351. An amount of \$30,450 was received on the sale of marketable securities. No financing activities took place during the period. The Company realized a net increase of \$35,801 over the quarter.

The Company owns an interest in the Copper Hill property subject to outstanding NSR's. It has met all the terms of the various contract agreements for the Copper Hill property, above and beyond the exploration work required to keep the property in good standing. The exploration work completed during fiscal 2011 generated significant assessment credits to keep the Block A claims in good standing for the 2012 fiscal year ahead. Pursuant to the termination of the Mineral Mountain option on the Main Block, Mineral Mountain must leave the claims in good standing for a period of one year from the date of termination.

There are no other known demands, commitments, events or uncertainties that would adversely affect the trends and expected fluctuations in the Company's liquidity. However, at this time, the Company does not own any operating mines and has no operating income/sales from mineral production. Funding for operations is raised primarily through equity financings. Realization of the carrying value of mineral interests is dependent upon funding, the ability of the Company and third parties to bring mineral interests into profitable production, or recovery from sale. In the longer term, in order to continue operations, the Company will need to raise additional capital through equity financings. There is no guarantee that financing will be available on terms acceptable to the Company, given the current climate in the financial markets and reduced availability of funding.

The Company has no material debt obligations, other than short-term liabilities incurred in the normal monthly activities of exploration and administration. The Company has no long-term debt.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

RELATED PARTY TRANSACTIONS

Related party transactions are described in Note 12 accompanying the unaudited interim financial statements for the period ended September 30, 2011. Rates for the services provided by the related party transactions represent normal commercial rates.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the unaudited interim financial statements for the period ended September 30, 2011.

ACCOUNTING POLICIES

Basis of presentation

Significant accounting policies can be found in Note 2 of the financial statements for the period ended September 30, 2011. The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Accounting Standards Issued but Not Yet Effective

New Standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2013.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors

- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

ADDITIONAL INFORMATION

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

DISCLOSURE BY VENTURE ISSUER WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the un-audited interim financial statements for the period ended September 30, 2011 to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company's mineral property is disclosed in Note 8 to the un-audited interim financial statements for the period ended September 30, 2011 to which this MD&A relates.

SHARE CAPITAL

At December 12, 2011, the Company had the following number of securities outstanding:

Securities	Number	Exercise Price	Expiry date
Common shares issued and outstanding	24,684,042		
Stock options	1,700,000	\$0.10 to \$0.35	June 11, 2013 to September 20, 2015
Fully diluted share capital	26,384,042		