MANAGEMENT DISCUSSION & ANALYSIS

For Year Ended September 30, 2010

Date Prepared: January 27, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL

The following discussion and analysis is based on our results of operations and financial position and should be read in conjunction with the Company's audited financial statements and notes for the year ended September 30, 2010.

Intor Resources Corporation incorporated on September 7, 2004 to conduct exploration on certain mineral properties held by a related party, Nevada Sunrise LLC ("**NSL**"). Its initial project was to manage the exploration effort for New York Canyon project in which NSL had an interest. Involvement with this project ceased in March, 2006. On July 19, 2006, NSL transferred its rights to the Golden Arrow property to Intor by an Option to Acquire Purchase Agreement. On June 18, 2007, Intor and NSL entered into Mining Lease Agreements for the Kinsley Mountain, Juniper and Iron Point properties. Each agreement is subject to a royalty with a minimum royalty due upon its anniversary. Intor acquired these rights with the intention of conducting exploration activity on each property.

We incorporated on April 3, 2007, for the purpose of acquiring the issued and outstanding shares of Intor and thereafter to operate as a resource exploration company focussed on the acquisition, evaluation and exploration of mineral resource properties. This management's discussion and analysis (MD&A) includes a discussion of the operations of Intor.

The Company filed a prospectus on June 25, 2008, and an amendment to this prospectus on August 22, 2008, in connection with an initial public offering. On September 18, 2008, the Company closed its initial public offering and began trading on September 22 on the TSX-V using the symbol NEV.

Other than the New York Canyon Project income, which ended during fiscal year 2006, our only sources of funding has been by way of private and public placement of equity capital, private loans and option payments received in respect of our Kinsley Mountain Property.

All direct costs related to the acquisition of resource property interests have been capitalized. We are a resource exploration company with no operating cash flow and our level of expenditures is dependent on the sale of equity capital to finance our exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from our cash flows.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this analysis that are not historical facts constitute ‘‘forward-looking statements’’, including but not limited to those statements with respect to our expected operating and financial results, the development of mineral properties and deposits, exploration plans and programs, the use of proceeds, our business objectives and milestones, and our financial resources. Often, but not always, forward-looking statements can be identified by the use of words such as ‘‘plans’’, ‘‘expects’’, ‘‘is expected’’, ‘‘budget’’, ‘‘scheduled’’, ‘‘estimates’’, ‘‘forecasts’’, ‘‘intends’’, ‘‘anticipates’’, or ‘‘believes’’, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results ‘‘may’’, ‘‘could’’, ‘‘would’’, ‘‘might’’, or ‘‘will’’ be taken, occur or be achieved. Forward-looking statements in this MD&A include statements regarding the Company’s future exploration plans and expenditures, the satisfaction of rights and performance obligations under agreements that the Company is a part, the ability of the Company to hire and retain key employees and consultants and estimated future costs and expense. Forward-looking statements involve known or unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those projected by such forward-looking statements. Factors that could cause the actual results to differ include, among others, future market prices for gold, exploration success, continued availability of capital and financing, general market conditions and those factors discussed in the section entitled ‘‘Risk Factors’’. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this analysis based on the opinions and estimates of management, and we disclaim any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise, except as may be required by law. There can be no assurance that the forward-looking statements contained in this Analysis will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

SELECTED FINANCIAL INFORMATION

The following tables set forth summary financial information of the Company for the years and three months ended September 30, 2010 and 2009. This information for the fiscal years 2010 and 2009 has been summarized from our financial statements for these years and the information for the three months has been summarized from unaudited consolidated financial statements for these periods prepared by management. This summary of financial information should only be read in conjunction with our financial statements, including the notes thereto.

	Years Ended September 30,			Three Months Ended September 30,	
	2010 ($)	**2009 ($)**	**2008 ($)**	**2010 (unaudited) ($)**	**2009 (unaudited) ($)**
Financial results					
Revenue	Nil	Nil	Nil	Nil	Nil
Expenses	1,034,253	1,489,561	2,021,470	270,538	274,698
Loss for period	(1,067,879)	(1,530,777)	(1,998,619)	(279,935)	(328,007)
Basic and diluted loss per share(1)	(0.02)	(0.05)	(0.10)	(0.01)	(0.01)

	September 30,		
	2010 ($)	**2009 ($)**	**2008 ($)**
Mineral properties	2,580,601	2,035,716	1,739,838
Total assets	2,684,706	2,170,277	3,087,374
Shareholders' equity	2,016,605	1,667,443	2,717,637
Long-term debt	Nil	Nil	Nil

(1) Based-upon the weighted average number of shares issued and outstanding for the period.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

We are an exploration stage company and currently have no producing mineral properties and thus have had no revenues during all reported periods.

Year ended September 30, 2010

For the year ended September 30, 2010, we had a loss of $1,067,879 or a loss of $0.02 per share as compared to a loss of $1,530,777 or $0.05 per share for the year ended September 30, 2009. The decrease in loss, $462,898, is primarily attributable to a decrease in total expenses of $455,308 caused by a $304,751 decrease in exploration costs and a decrease in general and administrative costs and other items of $150,557. Exploration costs decreased due to a mining option agreement with Animas Resources Ltd. ("Animas"), pursuant to which Animas funded the Company's exploration activities at its Golden Arrow and Kinsley properties in exchange for the right to earn an ownership interest in each property. The decrease in general and administrative costs consist of: a $59,328 decrease in stock-based compensation related to option grants to our employees, officers, directors and consultants; a $59,969 decrease in property investigation costs related to a property owned by NSL, a related party, that was being evaluated for potential acquisition or joint venture; a $109,322 decrease in salaries and benefits, the Company had two full-time employees during most of the year ended September 30, 2010, as compared to three full-time employees during the year ended September 30, 2009; a $22,247 decrease in professional fees primarily related to legal, business consulting, finance and accounting cost; a $38,584 increase in marketing costs related to the increased use of marketing consultants in 2010, a $68,711 increase in consulting expense primarily related to an increase in investor relations, corporate development and financial consultant activities during 2010; and a $6,986 decrease in other general and administrative costs.

Three months ended September 30, 2010

For the three months ended September 30, 2010, we had a loss of $279,935 or $0.01 per share as compared to a loss of $328,007 or $0.01 per share for the three months ended September 30, 2009. The decrease in loss, $48,072, is primarily attributable to a $40,075 decrease in other items and a $4,162 decrease in total expense. The other items decrease, $40,075, is primarily due to a decrease in the expense associated with option payments. During the fourth quarter of 2009 the Company reclassified certain option payments, which were previously recognized as income in prior quarters of 2009, to reduce capitalized mineral property costs. Total expenses decreased $4,162 due to a $19,053 decrease in exploration costs and an increase in general and administrative costs of $14,891. Exploration costs decreased due to a reduction in exploration activities at the Company's Golden Arrow property. The increase in general and administrative costs consist of: a $19,660 increase in property investigation costs paid to NSL, a related party, related to property that is being investigated for possible acquisition or joint venture; a $26,867 increase in consulting expense due primarily to an increase in investor relations, corporate development and financial consultant activities during 2010; a $13,511 decrease in stock-based compensation related to option grants to our employees, officers, directors and consultants; and a $18,081 decrease in salaries and benefits.

LIQUIDITY AND CAPITAL RESOURCES

We are in the exploration stage and therefore have no cash flow from operations. Our principal source of liquidity since incorporation has been from the sale of equity capital. From the date of our incorporation on April 3, 2007 to September 30, 2010, we have raised approximately $6,372,000 in net proceeds from the sale of equity capital for cash. At September 30, 2010 we had 46,086,509 Common Shares outstanding.

As noted below in "Financing Activities", in April 2010 we completed the second and final closing of a private placement which consisted of a total of 5,979,530 Units at a price of $0.15 per Unit yielding the Company $896,929. The second closing, which occurred in April 2010, consisted of 2,030,948 Units at a price of $0.15 per Unit, which yielded the Company $304,642. The first closing, which occurred in March 2010, consisted of 3,948,582 Units at a price of $0.15 per Unit, which yielded the Company $592,287. Each Unit consist of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable to purchase an additional common share at a price of $0.25 until March 31, 2011. The April 2010 closing included the sale of 198,548 Units to Robert Leppo, a director.

On December 29, 2009 we closed a private placement consisting of 8,000,000 Units at a price of $0.05 per Unit, which yielded the Company $400,000. Each Unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable to purchase an additional common share at a price of $0.15 until the earlier of a) December 29, 2010 and b) the date which is 30 days after the Company issues a news release announcing an Accelerated Exercise Period. The December 2009 private placement included the sale of 1,500,000 Units to Robert Leppo, a director.

At September 30, 2010 current assets were $67,312 and current liabilities were $668,101 resulting in a deficit in working capital of $600,789. At September 30, 2010 we had no long-term debt. As noted below in "Financing Activities", during 2010 the Company received $500,000 in exchange for a convertible promissory note. The lender has notified the Company of their intent not to exercise the conversion option on the loan and accordingly, the Company will have to pay the lender $550,000, which includes accrued interest, on March 25, 2011. The note is secured by a first charge over Intor's interest in the Golden Arrow mining lease. The Company is actively seeking financing which allow the Company to meet its obligation, however, there can be no assurance that the Company's efforts will be successful.

See "Additional Disclosure For Companies Without Significant Revenue" below.

There are no known trends affecting liquidity or capital resources. As described below in "Commitments and Contingencies", the Company expects that their exploration activities at the Golden Arrow and Kinsley Mountain properties will primarily be funded by Animas, as a result of a mining option agreement.

FINANCING ACTIVITIES

At September 30, 2010 we had total assets of $2,684,706. Our principal assets are cash of $62,680 and our mineral exploration property interests in Nevada. As at September 30, 2010 we had total capitalized expenditures of $2,580,601 related to these properties including $2,285,172 for the Golden Arrow property that is the subject of an exploration program. Through September 30, 2010, the Company has spent $1,552,649 on the exploration of the Golden Arrow property which has been recorded as exploration costs.

In March 2010, the Company received $500,000 (USD) in exchange for a convertible promissory note. The note, which matures March 25, 2011, bears interest at 10% per annum and is convertible into units of the Company at a price of $0.17 per unit. Each unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at $0.25 per share, exercisable until March 25, 2011. The debt component of the convertible note payable is calculated as the present value of the debt and required interest payments discounted at a rate approximating the interest rate that would have been applicable to a non-convertible notes payable at the time the notes were issued. On issuance, the relative fair value of $18,978, attributed to the equity component of the note was classified as Equity Component of Convertible Note Payable on the Company's balance sheet. Proceeds from the convertible promissory note were used to make a one-time option payment to extend the Company's lease on the Golden Arrow mineral property through December 31, 2016. In December 2010, pursuant to the loan agreement, the lender notified the Company of their intent not to exercise the conversion option on the loan.

At September 30, 2010 our capital stock was $6,371,766 with 46,086,509 common shares issued and outstanding. We also had $619,144 in contributed surplus primarily associated with the fair value of warrants granted to our agent in connection with our initial public offering and the fair value of stock options vesting during the period. As of September 30, 2010 there was an accumulated deficit of $5,035,663.

As described below, during the year ended September 30, 2010, we completed private placements in December 2009, and closed a second private placement in two closings occurring in March 2010 and April 2010. These private placements yielded gross proceeds of $1,296,930. In addition, a total of 170,000 common share purchase warrants were exercised in September 2010 for net proceeds of $25,500.

On March 31, 2010 we completed the first of two closings of a private placement which totalled 5,979,530 Units. The first closing consisted of 3,948,582 Units at a price of $0.15 per Unit, which yielded $592,287 in gross proceeds. Each Unit consist of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable to purchase an additional common share at a price of $0.25 until March 31, 2011. The second and final closing of this private placement closed, in April 2010. The final closing consisted of 2,030,948 Units at a price of $0.15 per Unit for gross proceeds of $304,642.

In December 2009 we closed a private placement consisting of 8,000,000 Units at a price of $0.05 per Unit, yielding $400,000 in gross proceeds. Each Unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant will be exercisable to purchase an additional common share at a price of $0.15 until the earlier of a) 12 months following the closing of the offering and b) the date which is 30 days after the Company issues a news release announcing an Accelerated Exercise Period. The Company is entitled to announce an Accelerated Exercise Period if at any time commencing on or after four months and a day after issuance of the Warrants, the closing price of the Company's common shares on the TSX-V exceeds $0.25 for a period of 10 consecutive trading days.

In August, 2009, Robert Leppo, a director, advanced the Company $100,000 (USD) to be used to purchase shares in a private placement. In December 2009, Leppo purchased 1,500,000 units at $0.05 per unit as part of a private placement of 8,000,000 units. Each Unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant will be exercisable to purchase an additional common share at a price of $0.15 until the earlier of a) December 29, 2010 and b) the date which is 30 days after the Company issues a news release announcing an Accelerated Exercise Period. The purchase price of $70,650 (USD) was netted against the proceeds of the advance and the remaining balance of $29,350 (USD) was paid pursuant to the terms of a promissory note. The promissory note bears interest at 14.6% per annum beginning November 24, 2009 until paid. The promissory note which matured on March 31, 2010, was applied to the purchase of 198,548 Units at a price of $0.15 per Unit in the Company's private placement closing in April 2010.

In August, 2009, the Company received $200,000 (USD) in exchange for a promissory note. The promissory note is unsecured, non-interest bearing, and matured on November 26, 2009. On November 26, 2009, the non-interest bearing note was replaced with a $200,000 (USD) promissory note, bearing interest at 14.6% per annum, beginning November 26, 2009 until paid. The promissory note was repaid with interest on April 1, 2010.

Also, as discussed below in Subsequent Events, in December 2010, the Company closed a non-brokered private placement consisting of 2,000,000 Units at a price of $0.20 per Unit, yielding the Company gross proceeds of $400,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will be exercisable to purchase an additional common share at a price of $0.30 until December 3, 2012, subject to acceleration on 30-days notice if, on any day on or after April 4, 2011 and before the expiry date of the Warrants, the Company's common shares trade at a price greater than $0.50 for a period of 10 or more trading days. All shares and warrants issued pursuant to the offering are subject to a four-month hold period.

In addition, subsequent to September 30, 2010, the Company issued an aggregate of 2,363,334 common shares pursuant to the exercise of share purchase warrants previously issued to subscribers of the Company's December 2009 private placement. A total of 2,363,334 warrants were exercised at a price of

$0.15 per warrant, yielding the Company $354,500. Of these proceeds, $45,000 was received in September 2010, for shares issued subsequent to September 30, 2010, and is therefore included in Subscriptions Received In Advance at September 30, 2010.

The proceeds from these financings have been our principal source of funds.

Investing Activities

During the year ended September 30, 2010, we incurred mineral property acquisition costs related to our mineral property interests in Nevada of $659,085. For the year ended September 30, 2009, we incurred mineral property acquisition costs related to our mineral property interests in Nevada of $543,737 and acquired $6,390 of equipment

Our ability to continue as a going concern is dependent upon our ability to raise additional capital, and achieve profitability, to fund any additional losses we may incur. Our audited financial statements were prepared on a going concern basis, which implies that we will realize our assets and discharge our liabilities in the normal course of business. The audited financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if we are unable to achieve and maintain profitable operations.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited quarterly consolidated financial statements prepared by management. The Company's interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and expressed in Canadian dollars.

Period	Revenues	Net Loss	Basic and Diluted Loss per Common Share
	$	$	$
4th Quarter 2010	Nil	(279,935)	(0.01)
3rd Quarter 2010	Nil	(309,727)	(0.01)
2nd Quarter 2010	Nil	(347,230)	(0.01)
1st Quarter 2010	Nil	(130,987)	(0.00)
4th Quarter 2009	Nil	(328,007)	(0.01)
3rd Quarter 2009	Nil	(385,790)	(0.01)
2nd Quarter 2009	Nil	(318,384)	(0.01)
1st Quarter 2009	Nil	(498,596)	(0.02)

RELATED PARTY TRANSACTIONS

The following is a summary of the Company's other related party transactions:

	For Year Ended September 30, 2010	For Year Ended September 30, 2009
Professional fees to accounting firm in which Mike Tomczak, chief financial officer, is a partner	$ 73,259	$ 81,431
Exploration costs to a company owned by Dr. Odin Christensen, director	234	47,966
Consulting expense to a company owned by Dr. Odin Christensen, former director	-	9,624
Travel and entertainment expense to a company owned by Dr. Odin Christensen, former director	-	4,125
Stock-based compensation to Steve Vanry, Warren Stanyer, Robert Leppo, Dr. Odin Christensen, William Hendersen, Vicky Wadman and Mike Tomczak	101,324	200,826
Exploration costs to a company owned by Zach Henderson, the son of William Henderson, chief executive officer and director	4,406	10,604

Due to Related Parties	**September 30, 2010**	**September 30, 2009**
Nevada Sunrise LLC for advance royalties on mining leases and expenses paid on behalf of Company	$ 51,449	$ 40,803
Company owned by Dr. Odin Christensen, director, for exploration and consulting services	-	4,077
Total due to Related Parties	$ 51,449	$ 44,880

In December 2009, as part of the Company's private placement, a director, applied US$70,650 of an outstanding US$100,000 loan payable by the Company to the purchase of 1,500,000 Units at a price of $0.05 per Unit. The remaining balance on the loan was replaced with a US$29,350 promissory note (the "Note"), bearing interest at 14.6% per annum, beginning November 24, 2009 until paid. The Note which matured on March 31, 2010, was applied to the purchase of 198,548 Units at a price of $0.15 per Unit in the Company's second private placement closing in April 2010.

SUBSEQUENT EVENTS

Subsequent to September 30, 2010, the Company issued an aggregate of 2,363,334 common shares pursuant to the exercise of share purchase warrants previously issued to subscribers of the Company's December 2009 private placement. A total of 2,363,334 warrants were exercised at a price of $0.15 per warrant, yielding the Company $354,500. Of these proceeds, $45,000 was received in September 2010, for shares issued subsequent to September 30, 2010, and is therefore included in Subscriptions received in advance at September 30, 2010.

Also, in December 2010, the Company closed a non-brokered private placement consisting of 2,000,000 Units at a price of $0.20 per Unit, yielding the Company gross proceeds of $400,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant will be exercisable to purchase an additional common share at a price of $0.30 until December 3, 2012, subject to acceleration on 30-days notice if, on any day on or after April 4, 2011 and before the expiry date of the Warrants, the Company's common shares trade at a price greater than $0.50 for a period of 10 or more trading days. All shares and warrants issued pursuant to the offering are subject to a four-month hold period.

In December 2010, the holder of a $500,000 convertible promissory note notified the Company of their intent not to exercise the conversion option on the note. The note matures March 25, 2011. See discussion above at "Financing Activities".

COMMITMENTS AND CONTINGENCIES

The Company has entered into an operating lease agreement for its office premises in Auburn, California. The annual commitments under this lease are as follows:

Fiscal Year	Annual Commitment
2011	42,026
2012	43,292
2013	10,903

In March 2010 the Company entered into a letter of agreement with Animas Resources Ltd ("Animas"), whereby the Company agreed to grant Animas an option to acquire a 51% interest in the Golden Arrow property. Animas may exercise this option by spending $3,500,000 in exploration expenditures including all annual property maintenance fees, advance royalty payments and lease payments within three years. Per the agreement, $1,000,000, of the $3,500,000 in exploration expenditures, must occur during the 2010 calendar year. As of the date of this MD&A, the Company has not been informed by Animas of the amount of its 2010 exploration expenditures. Per agreement, Animas has until January 31, 2011, to provide documentation supporting the amount of expenditures made prior to December 31, 2010. Upon earning 51% interest in Golden Arrow, Animas and the Company will forma joint venture for further exploration work on the property and Animas will be granted an option to earn an additional 9% interest (for a total interest of 60%) by spending $4,000,000 in exploration expenditures within 5 years from the date Animas provides notice of its intent to proceed with the second option, provided that Animas must provide such notice within 120 days of the exercise of the first option. Once Animas has earned a 60% interest in the property, and if the Company elects not to participate in the funding of a pre-feasibility study, Animas may earn an additional 15% interest (for a total of 75%) by completing and paying for a pre-feasibility study for the property.

Also pursuant to the Animas agreement, the Company agreed to grant Animas an option to acquire a 51% interest in the Kinsley Mountain property. Animas may exercise this option by spending $1,500,000 in exploration expenditures including all annual property maintenance fees, advance royalty payments and lease payments within three years. Per the agreement, $200,000, of the $1,500,000 in exploration expenditures, must occur during the 2010 calendar year. As of the date of this MD&A, the Company has not been informed by Animas of the amount of its 2010 exploration expenditures. Per agreement, Animas has until January 31, 2011, to provide documentation supporting the amount of expenditures made prior to December 31, 2010. Upon earning 51% interest in Kinsley Mountain property, Animas and the Company will form a joint venture for further exploration work on the property and Animas will be granted an option to earn an additional 14% interest (for a total interest of 65%) by spending $3,000,000 in exploration expenditures within 5 years from the date Animas provides notice of its intent to proceed with the second option, provided that Animas must provide such notice within 120 days of the exercise of the first option. Once Animas has earned a 65% interest in the property, and if the Company elects not to participate in the funding of a pre-feasibility study, Animas may earn an additional 10% interest (for a total of 75%) by completing and paying for a pre-feasibility study for the property.

On February 15, 2010, the Company entered into one year agreements with three consultants to provide investor relations and other marketing and corporate development services. The Company was to pay a monthly retainer to the consultants of $10,000, $3,000; and US$3,500. Also, the consultants were granted a total of 500,000 stock options at an exercise price of $0.15 per share and a total of 250,000 stock options at an exercise price of $0.25 per share by the Company's Board of Directors. The options vest over one year and have a term of five years. In May 2010, the Company amended two of the consulting agreements. The monthly retainer on one agreement was reduced from $10,000 to $3,000, and the notice period required to terminate this agreement was reduced from 30 days to 5 days. The expiration date of the agreement with the $3,000 monthly retainer was changed from February 15, 2011, to July 31, 2010. Pursuant to the revised agreement all unvested options terminated upon expiration, July 31, 2010, and all vested options terminated on August 31, 2010, as a result of them not being exercised. As a result of the May 2010 amendments to the consulting agreements, at September 30, 2010 the Company is required to pay a monthly retainer to two consultants. One agreement, which may be terminated by either party without cause with 5 days written notice, requires a monthly payment of $3,000. The second agreement, which may be terminated by either party without cause with 30 days written notice, requires a monthly payment of US$3,500.

On February 29, 2008, a claim was filed in the Supreme Court of British Columbia requesting the Company pay damages arising from the work and effort expended by a third-party. The damages were not specified but the claimant previously demanded (i) the Company issue to the third-party 1,200,000 Common Shares; (ii) pay 2% of gross proceeds of a private placement and all funds raised in the Company's initial public offering, and; (iii) pay the third-party's out-of-pocket expenses. The Company believes the demands made are without merit and intends to vigorously defend the claim made. The Company has denied the claim, and no further action has been taken by the claimant. The Company's Chief Executive Officer is also subject to a claim relating to the same matters. Since filing the claim two years ago, the claimant has taken no steps to proceed further.

RISK FACTORS

Limited Operating History

We have no history of earnings. Our properties are in the exploration stage and there are no known commercially mineable mineral deposits on our properties.

Negative Cash Flow

To date, we have experienced negative operating cash flow and have not recorded any revenues from mining operations. None of our properties have advanced to the commercial production stage and we have no history of earnings or cash flow from operations. There can be no assurance that significant additional losses will not occur in the near future or that we will be profitable in the future. Our operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and potentially commercial production of our properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the acquisition of additional properties and other factors, many of which are our control. We expect to continue to incur losses unless and until such time as our properties enter into commercial production and generate sufficient revenues to fund continuing operations. The development of our properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that we will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate. We have paid no dividends on our Common Shares since incorporation and do not anticipate doing so for the foreseeable future. Historically, the only source of funds available to us has been through the sale of our equity securities and through the option or joint venture of our projects. Any future additional equity financing would cause dilution to current shareholders. The option, sale or joint venture of our projects could also result in dilution of our interest or loss of, the project optioned, sold or joint ventured. If we do not have sufficient capital for our operations, it could result in delay or indefinite postponement of further exploration or development of the properties or loss of mineral claims, which would have a negative effect on our securities.

Title Risks

Although we have exercised due diligence with respect to determining title to the properties in which we have a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Our mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of our mineral properties in accordance with the laws of the jurisdiction in which such properties are situated; therefore, their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, we can give no assurance as to the validity of our title to those lands or the size of such mineral lands.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals we acquire or discover may be affected by numerous factors that are beyond our control and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, the import and export of minerals and environmental protection, the combination of which factors may result in the Corporation not receiving an adequate return of investment capital.

All of the claims in which we have acquired or have a right to acquire an interest are in the exploration stage only and are without a known commercially-mineable ore body. Development of the subject mineral properties would follow only if favorable exploration results are obtained.

There is no assurance that our mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of our operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Environmental Regulations, Permits and Licenses

Our operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

Our current or future operations, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that we may require for our operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which we might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of our knowledge, we are operating in compliance with all applicable rules and regulations.

Competition

The mining industry is intensely competitive in all its phases, and we compete with other companies that have greater financial and technical resources. Competition could adversely affect our ability to acquire suitable properties or prospects in the future.

Management

Our success is currently largely dependent on the performance of our directors and officers. There is no assurance we will be able to maintain the services of our directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse affect on the Corporation and our prospects.

Fluctuating Mineral Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on our operations cannot be predicted.

Gold Price

Our profitability will be linked to the price of gold as our revenues, if any, will be derived primarily from gold mining. Gold prices are affected by numerous factors beyond our control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. In addition, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

Our continued operation will be dependent upon our ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause us to postpone development plans, forfeit rights in some or all of our properties or joint ventures, or reduce or terminate some or all of our operations. If available, future equity financing may result in substantial dilution to current shareholders.

Further Acquisitions

As part of the our business strategy, we may seek to grow by acquiring companies, assets or establishing joint ventures that it believes will complement its current or future business. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for its business. We cannot guarantee that we will complete any acquisition on favourable terms, or that any acquisitions completed will ultimately benefit our business. Future acquisitions may result in substantial dilution to current shareholders.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

If an active public market for the Common Shares does not develop or is not sustained, the liquidity of a shareholder's investment may be limited and the share price may decline below their purchase price.

Foreign Currency Exchange

Exchange rate fluctuations may affect the costs that we incur in our operations. Our financing activities have been denominated in Canadian dollars, while the expenditures we will incur on our mineral exploration projects in the United States will be denominated in U.S. dollars. The appreciation of the US dollar against the Canadian dollar, if it occurs, would result in increased costs of our activities in the United States in Canadian dollar terms, and currency movements may have a significant impact on our financial position and results of operations in the future.

Conflicts of Interest

Some of our directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with the Corporation. In particular, William Henderson, our CEO and one of our directors, is a director of and holds significant shares of Nevada Sunrise LLC. We hold rights in our properties through option agreements with Nevada Sunrise LLC. Conflicts will be dealt with in accordance with the relevant provisions of the BCBCA.

Dividends

We have not paid any dividends on our Common Shares since incorporation and do not anticipate paying any dividends on its Common Shares in the foreseeable future.

FINANCIAL INSTRUMENTS

The fair value of the Company's other current assets, accounts payable and accrued liabilities, note payable, convertible note payable, loan payable to shareholder and due to related parties approximate carrying value, which is the amount recorded on the consolidated balance sheet. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2010, the Company had a cash balance of $62,680 (September 30, 2009 - $51,939) to settle current liabilities of $668,101 (September 30, 2009 - $502,834). In December 2010, the Company closed a private placement transaction which yielded the Company gross proceeds of $400,000. In addition, the Company received $309,500 subsequent to September 30, 2010 related to the exercise of share purchase warrants. These proceeds will be used to fund the Company's working capital requirements. In addition, the Company will continue to search for new or alternative sources of financing but anticipates that the current market conditions may impact the ability to source such funds.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and an interest-bearing note payable. The interest charged on the notes approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable, accrued liabilities, notes payable, convertible notes payable, loan payable to shareholders and due to related parties that are denominated in US Dollars (US).

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company operates in the United States and is exposed to risk from changes in the U.S. dollar. A 10% fluctuation in the U.S. dollar against the Canadian dollar would affect net loss for the year by approximately $65,000.

CHANGE IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION

Financial instruments (Section 3862)

CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significant. 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.

See Note 4 to the Company's consolidated financial statements for the year ended September 30, 2010, for the relevant disclosures.

Future Accounting Pronouncements

Business combinations (Section 1582)

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective for fiscal years beginning on or after January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards. The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The Company does not expect the adoption of this section to have a significant effect on its financial statements.

Consolidated financial statements (Section 1601) and non-controlling interests (Section 1602)

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations." The Company does not expect the adoption of this section to have a significant effect on its financial statements.

International financial reporting standards ("IFRS")

The CICA has adopted a strategic plan whereby the Canadian accounting standards will be converged with International Financial Reporting Standards (IFRS) with the requirement to report under the new standards for fiscal years commencing in 2011. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date for the company of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. At this time, the most significant impacts appear to be related to potential reclamation and closure obligations, the calculation of stock-based compensation and, the accounting for future business combinations. The resulting effect on the Company's consolidated financial statements has not yet been determined, however the company does anticipate increased note disclosure.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates. Significant area where management's judgement is applied included stock-based compensation.

ADDITIONAL DISCLOSURE FOR COMPANIES WITHOUT SIGNIFICANT REVENUE

Our consolidated financial statements, included herein, have been prepared in accordance with Canadian generally accepted accounting principles assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As discussed above in "Financing Activities", during the year ended September 30, 2010, we completed a private placement, in December 2009, and in April 2010, closed a second private placement. These private financings yielded gross proceeds of $1,296,930 during the year ended September 30, 2010. In addition, the Company closed an additional private placement in December 2010 that yielded gross proceeds of $400,000.

The Company continues to actively target additional sources of financing which Management believes will assure the continuation of the Company's operations and exploration programs. In order for the Company to continue to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. Our financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds.

Our financial statements provide a detailed breakdown of various expenses we incurred. Our expenses are relatively basic, including accounting, audit and legal fees, bank charges, and office and miscellaneous expenses. Salaries and benefits, decreased in the most recent period due to a reduction in staffing. Costs during the period related to professional fees and rent and office expenses decreased significantly from prior year due to the Company's cost cutting efforts. Consulting and marketing expenses have increased during the period as a result of increased corporate development, marketing, and investor relations activities. Details for these expenditures may be found in the Statement of Operations and Deficit included in the Consolidated Financial Statements for the year ended September 30, 2010.

BUSINESS OBJECTIVES

Our only business at present is the exploration and development of our properties. Our primary short-term objective is to complete the initial work program on our Golden Arrow Property. Our future work at the Golden Arrow Property will be based upon our better understanding of this property from the work to date. We will also evaluate development of our other properties: Juniper, Iron Point and Kinsley Mountain. In addition, we will evaluate other properties for acquisition and joint venture potential. We will require additional funds obtained from additional financing for any new programs.

DISCLOSURE OF OUTSTANDING SHARE DATA

We have one class of shares, being Common Shares without par value. As at the date of this analysis, 50,449,843 Common Shares were issued and outstanding. At the same date, there were outstanding a total of 5,180,654 Common share purchase warrants. Of the outstanding Common share purchase warrants, 2,153,490 are warrants to purchase Common Shares at a price of $0.25 per share for a period expiring on March 31, 2011; 1,027,164 are warrants to purchase Common Shares at a price of $0.25 per share for a period expiring on April 29, 2011; and 2,000,000 are warrants to purchase Common Shares at a price of $0.30 per share for a period expiring on December 3, 2012; subject to acceleration on 30-days notice if, on any day on or after April 4, 2011 and before the expiry date of the warrant, the Company’s common shares trade at a price greater than $0.50 for a period of 10 or more trading days. The warrants expiring on December 3, 2012 are subject to a four-month hold period. In addition, we have 3,625,000 incentive stock options outstanding to directors, officers, employees and consultants of the Company. All 3,625,000 of the granted options were outstanding at September 30, 2010. 3,175,000 of the granted options, including 800,000 granted to directors, excluding officers, are exercisable at a price of $0.25, and vest over one to three years and expire on September 18, 2013, November 5, 2013, March 5, 2014, and July 29, 2015. The remaining 450,000 options were granted in January and February 2010 to consultants that provide investor relations and other marketing and corporate development services to the Company. These options are exercisable at a price of 0.15 per share, vest over one year and have a term of five years.

APPROVAL

The Board of Directors of Nevada Sunrise Gold Corporation have approved the disclosures contained in this MD&A. A copy of the MD&A will be provided to anyone who makes a request.