

## MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)

---

*The following discussion and analysis includes financial information from, and should be read in conjunction with, the unaudited financial statements of the Corporation for the period ending March 31, 2011 and the notes thereto.*

### Overall Performance

---

The Corporation was incorporated on May 31, 2010. The business of the Corporation is mineral resource exploration and development. The Corporation is engaged in the exploration for minerals and is currently focused on base and precious metal exploration on its Stephens Lake Property, located near Gillam, Manitoba (“the Property”). The Stephens Lake area is located about 10 km northeast of the sheared boundary of the Trans-Hudson Orogen and the Superior Province. The area is covered by extensive glacial ground moraine and lacustrine deposits. The Corporation has been primarily focused on the acquisition and exploration of the Property noted above and on raising capital. Toward those ends, the Corporation has (i) acquired a 100% interest in the Property; (ii) raised sufficient funds to undertake initial exploratory work on the Property and meet working capital requirements; (iii) commissioned an independent technical report on the Property (completed January 10, 2011). A work permit application for Stephen’s Lake was filed with Manitoba Conservation on October 29, 2010. Management anticipates receiving approval of its work permit during 1H 2011 and is in the process of developing its exploration program with respect to the Property. No field work was undertaken during the first quarter of 2011; however, the Corporation paid \$18,511.50 to the Manitoba Minister of Finance to maintain its license, in lieu of any work being completed. As of March 31, 2011, the Corporation has raised aggregate consideration of \$1,476,500 (cash consideration of \$1,446,500) through the sale of its securities for cash and the acquisition of the Property. The Corporation filed a prospectus with the Ontario Securities Commission, and was approved for trading as a public Corporation, under the ticker symbol “TFS” on April 12, 2011. Trading officially commenced on April 21, 2011.

## Financial Information

---

The following table summarizes selected financial data from the unaudited financial statements for the period from January 1, 2011 to March 31, 2011, and should be read in conjunction with such statements and related notes:

Item	Period from January 1, 2011 to March 31, 2011 (unaudited)
Revenue	Nil
Expenses	\$97,409
Net Loss	\$97,409
Current Assets	\$1,347,857
Resource Property	\$32,223
Total Assets	\$1,380,080
Current Liabilities	\$53,172
Working Capital	\$1,294,685
Shareholders' Equity	\$1,326,908
Number of Shares Outstanding	28,525,000

## Results of Operations

---

The financial statements reflect the Corporation's financial condition from January 1, 2011 to March 31, 2011. To date, the Corporation has raised aggregate consideration of \$1,476,500 (\$1,446,500 in cash consideration) through the sale of its securities and the acquisition of the Property. There are no comparable prior periods as the Corporation was incorporated on May 31, 2010.

Briefly, as of March 31, 2011 the Corporation had raised total consideration of \$1,476,500 through the sale of its securities; 26,025,000 shares for cash consideration of \$1,446,500 and 2,500,000 shares to acquire the Property for \$30,000 from issued securities; \$2,223 in cash was also paid to secure the Property.

During the first quarter of 2011, \$18,512 was exploration expense representing a payment to the Manitoba Minister of Finance to maintain the company's exploration license. For the period from January 1, 2011 to March 31, 2011 the Corporation incurred \$78,897 in general and administrative expenses. These expenses are comprised of \$8,400 in management consulting fees, \$3,300 in audit expense, \$33,878 in legal fees, \$10,500 in management support and office rent, \$3,227 in office and miscellaneous expenses, \$13,590 is reporting issuer costs and \$6,002 in travel. The Net Loss for the period ending March 31, 2011 was \$80,770, resulting in a basic and diluted loss per share of \$0.004 based on an average number of shares outstanding of 27,191,000 during the period.

### ***Working Capital***

---

As at March 31, 2011 the Company had working capital of \$1,294,685, including cash and term deposits of \$1,330,331. (Of this amount, \$9,139 was held in trust by the Corporation's lawyers and was subsequently released to the Corporation during Q2 2011). The Corporation has no cash flow from operations and is dependent upon raising equity to sustain its operations.

### ***Outstanding Share Data***

---

The Corporation's authorized share capital consists of an unlimited number of Common Shares without par value. At March 31, 2011 there were 28,525,000 Common Shares issued and outstanding which were issued for aggregate consideration of \$1,476,500 (Cash consideration of \$1,446,500). At March 31, 2011 there were common share purchase warrants outstanding to purchase an aggregate of 8,000,000 Common Shares. Each warrant entitles the holder to purchase one common share at \$0.05 with all warrants expiring on January 15, 2015. These warrants were valued at \$16,000 as at July 19, 2010 using the Black Scholes methodology, and were recorded as a charge to Share Capital.

### ***Changes in Accounting Policies***

---

There are no proposed changes in accounting policies.

### ***Critical Accounting Estimates***

---

The Corporation's significant accounting policies for the period ended March 31, 2011 are presented in Note 3 of the unaudited financial statements. As stated in Note 3 (b), the preparation of financial statements in accordance with IFRS requires management to make certain estimates and assumptions. Such estimates may have a significant impact on the financial statements.

The Corporation regularly reviews these estimates; however, actual amounts could differ from the estimates used and may accordingly affect the results of operations.

These estimates include:

- *The carrying values of resource properties*
- *The valuation of future income taxes and allowances*
- *The valuation of financial instruments*

### ***Financial Instruments***

---

The Corporation's significant accounting policies regarding its financial instruments are set out in Note 3 (c) and (d) of the financial statements. The Corporation's financial instruments consist of cash and receivables and of accounts payable and accrued liabilities. Management is of the opinion that the Corporation is not exposed to significant interest rate, currency or credit risks



arising from these financial instruments. As at March 31, 2011 the Corporation had total cash of \$1,330,331, (Of this amount, \$9,139 was held in trust by the Corporation's lawyer and was subsequently released to the Corporation during Q2 2011), sales tax receivable of \$16,429, and current payables and accrued liabilities of \$53,172.

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

---

The Corporation does not have any off-balance sheet arrangements.

### ***Contractual Obligations for Next Five Years***

---

The Corporation has minimal contractual obligations over the next five years. There are no outstanding option or purchase payments with respect to the Property. The Corporation has entered into a business services agreement with Grove Capital for corporate and administrative support and office space. The terms of this agreement are \$3,500 per month with six months notice required for termination. Furthermore, the Corporation has an obligation for an annual work program on the Property to maintain its mineral exploration license, and this obligation is up to date.

### ***Transition to IFRS***

---

During the period January 1 to March 31, 2011 the company commenced using International Financial Reporting Standards (IFRS) to report its financial results instead of Canadian Generally Accepted Accounting Policies. The effective date of the transition was May 31, 2010 (the company's date of incorporation). Accordingly the statement of financial position as of March 31, 2011 has been prepared using IFRS and IFRS have been applied retrospectively to amounts shown for December 31, 2010. All revenues and expenses for the quarter ending March 31, 2011 have been presented using IFRS.

Note 4 to the financial statements for the quarter ending March 31, 2011 describes the effect in numerical terms of the conversion to IFRS.

It should be noted that the conversion to IFRS has had no impact on cash flow or on key performance indicators for the company. At the present time, management does not foresee that the IFRS changeover will have any significant impact on future reporting. Given the short time period that the company has existed and given the nature of its operations, it is unlikely that any financial trends will be distorted because of the changeover. The company has changed the title of its statement of financial position from "balance sheet" to "statement of financial position" as a result of the changeover to IFRS.

### ***Impact on the business***

The business processes of the Corporation are simple and no major challenges are expected at this point to operate under IFRS. The Corporation has no compensation arrangements that will be affected by the IFRS implementation. The Corporation's anticipated Stock Option Plan is not

affected by ratios or financial targets. Business process will be monitored during the following months to detect and address any previously unidentified IFRS conversion issues.

### ***Liquidity and Capital Resources***

---

To date the Corporation has financed its operations through the sale of its securities. The Corporation has generated aggregate consideration of \$1,476,500, \$1,446,500 in cash consideration, and \$30,000 for the acquisition of the Property. During the first quarter of 2011, 6,635,000 Common Shares were issued at \$0.10 per share for cash consideration of \$663,500.

The Corporation has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Shares to finance its business operations.

The Corporation is required to have sufficient funds to complete the Stage 1 recommended work program, to meet twelve months of general and administrative expenses and the Corporation plans to retain approximately \$1,130,000 of unallocated working capital. The estimated cost to complete the Stage 1 recommended work program is \$130,000. Twelve months of general and administrative expense is estimated to be \$210,000.

The Corporation may require additional funds to support its working capital requirements or for other purposes and may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Corporation, or at all.

### ***Transactions with Related Parties***

A contract with Grove Capital is referenced above under the heading Contractual Obligations for Next Five Years. Grove Capital is controlled, in part by an officer and director of the Corporation and in part by a director of the Corporation. The Corporation has no additional related party transactions.