The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Manitou Gold Inc. (the "Company" or "Manitou") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2012. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2011 and 2010, together with the notes thereto, and the unaudited interim condensed financial statements for the three and nine months ended September 30, 2012, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS. Information contained herein is presented as of November 16, 2012, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Overview of the Company

Manitou is a resource exploration company engaged in the acquisition, exploration and advancement of gold properties in Northwestern Ontario.

Overall Performance Summary

There were no notable events during the reporting period other than the following:

- Exploration and evaluation expenditures continued at the Company's projects;

- On September 18, 2012, Manitou completed a non-brokered private placement (the "Offering") with Robert McEwen ("Subscriber"), pursuant to which the Subscriber purchased 4,000,000 "flow through" units of Manitou ("Units") at a price of $0.15 per Unit for aggregate gross proceeds to Manitou of $600,000. Each Unit consists of one "flow through" common share of Manitou and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share of Manitou (which will not be a "flow through share") at an exercise price of $0.25 per share for a period of 24 months, provided that if, at any time after January 18, 2013, the closing price of the common shares of Manitou on the TSX Venture Exchange, or such other stock exchange where the majority of trading occurs, exceeds $0.40 for more than 20 consecutive trading days, Manitou may accelerate the expiry date of the Warrants, in which event the Warrants will expire upon the date (the "Accelerated Expiry Date") which is 30 days following the provision of written notice by Manitou advising holders of the Accelerated Expiry Date.

- At September 30, 2012, the Company had working capital of $3,169,192, compared to $5,398,505 at December 31, 2011. The Company had cash and cash equivalents of $3,133,819 at September 30, 2012, compared to $6,472,362 at December 31, 2011. The decrease in working capital and cash and cash equivalents is due to the Company's exploration program and operating expenses.

Management and Board Changes

On June 29, 2012, Todd Keast, President of Manitou, was appointed Chief Executive Officer and Director of the Company.

Concurrently, the Company agreed with each of Richard Murphy, the then current CEO, and Guy Mahaffy, the then current Chief Financial Officer and Corporate Secretary, to terminate their respective employment contracts with the Company. Messrs. Murphy and Mahaffy have also stepped down from the Board. Carmelo Marrelli was appointed as Chief Financial Officer of Manitou effective June 29, 2012.

Exploration Activities

Gaffney Extension

Diamond drilling on the Gaffney Extension commenced in early July, 2012. The current diamond drilling program is based on the results and interpretation from the 2011 Manitou drilling program (6,900 metres), as well as the partial results of two phases of drilling (1984 and 1988) completed by a previous operator. Gold mineralization is hosted within an altered diorite intrusion and within Quartz Feldspar Porphyry (QFP) dykes. During the third quarter of 2012, the Company received assay results from five holes on the Gaffney drilling program.

The results of the five holes are included in the following table. Drilling results were not received in the order submitted, so previously released holes (Sept 13, 2012) are also included for reference.

<u>Assay Highlights:</u>

DDH #	From	To	Width	Assay g/t Au	Assay g/t Ag	
G-12-32	107.6	150.4	42.9	1.9		
G-12-32	107.6	174.0	66.4	1.5		
G-12-33	101.9	107.0	5.1	1.6		September 13/12
G-12-34	134.0	143.5	9.5	4.0	2.7	September 13/12
G-12-35	143.2	146.5	3.3	0.5	1.2	September 13/12
G-12-36	178.8	179.2	0.4	69.4	10.3	September 13/12
	186.0	190.8	4.8	2.4	0.6	September 13/12
G-12-37	184.5	228.0	43.5	1.0		September 13/12
includes	189.2	195.0	5.8	2.3		September 13/12
includes	206.0	214.0	8.0	2.2		September 13/12
G-12-38	No Significant Assays					
G-12-39	218.9	224.0	5.1	0.7		
G-12-39	252.3	299.0	46.7	0.7		
G-12-39	252.3	281.0	28.7	1.0		
G-12-39	260.0	268.0	8.0	2.0		
G-12-39	317.2	322.0	4.8	1.3		
G-12-39	332.0	342.0	10.0	0.7		
G-12-40	Not received from Lab					
G-12-41	201.8	205.4	3.6	0.8		
G-12-41	240.0	252.9	12.9	1.1		
G-12-41	261.0	269.0	8.0	1.0		
G-12-41	305.0	305.5	0.5	112.0		
G-12-42	275.8	281.0	5.3	2.4		
G-12-42	302.0	320.0	18.0	2.7		
G-12-42	362.0	366.3	4.3	1.3		
G-12-42	391.0	399.0	8.0	0.6		

Note: Intervals reported are core lengths; true widths of mineralization are not known.

G-12-32, the first hole of the 2012 program, intersected a 66.0 metre wide interval which averaged 1.5 g/t Au and includes a higher grade 42.9 metre wide interval averaging 1.9 g/t Au. The majority of this intersection is contained within an exceptionally wide interval of QFP dyke. The hole was planned to test a portion of the mineralized system at the relatively shallow vertical depth of 125 metres and is located approximately 100 metres above hole number G-11-27, which had a 75.1 metre interval averaging 2.4 g/t Au.

G-12-42 was drilled to test the down plunge continuity of the mineralization encountered in G-11-27. The hole contains multiple zones of gold mineralization including an 18.0 metre wide interval averaging 2.7 g/t Au. This intersection is positioned approximately 100 metres away from G-11-27 and demonstrates significant potential for the continuity of the gold mineralization. Individual assays in G-12-42 include grades as high as 22.9 g/t Au over 0.5 metres, indicating areas of higher concentrations of gold in the system.

The significant intersection in G-12-42 demonstrates the encouraging gold grades as well as the substantial widths to the mineralization at relatively shallow depths. The fact that this intersection is positioned 100 metres down-plunge from hole G-11-27 suggests reasonable continuity to this impressive under-explored gold system. Samples from seven additional holes from this season's program are in the lab for analysis and results will be released with an updated interpretation as they become available.

For further information, please refer to the press release dated November 1, 2012, and entitled "Manitou Gold Inc. Extends Gaffney Extension Mineralization 100 Metres Down Plunge".

Potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a mineral resource on any of the Company's properties, and it is uncertain if further exploration will result in any such target being delineated as a mineral resource.

A three dimensional model of the drilling and the geological interpretation are available on the Company's website at www.manitougold.com/gaffney.html. The model illustrates the gold mineralization and delineates the down plunge continuity of the zone.

Plans

Subject to positive weather conditions in the coming 2012/2013 winter season, Manitou will determine a program and budget for a follow-up drilling program at the Gaffney Extension.

Elora Patents

The Company has initiated an exploration program on the recently acquired Elora Patents which host two past producing gold mines, and sit adjacent to Manitou's Kenwest Property. Twenty-six diamond drill holes from the previous operators (2004, 2006 and 2008) have been re-logged and re-sampled, with 600 samples split for assay. Re-sampling results are consistent with the historical values noted in the table below.

				Seafield Resources Ltd. (Previous Operator) Original Sampling	Manitou – 2012 Re-Sampling	
DDH #	**From m**	**To m**	**Length m**	**Au g/t**	**Au g/t**	**Ag g/t**
E-04-14	45.08	46.39	1.31	15.27	5.84	
including	45.35	46.02	0.67	28.47	8.58	
E-04-17	68.64	75.44	6.80	3.24	5.48	8.66
E-04-21	125.73	130.18	4.45	4.36	8.52	
E-06-22	312	318.4	6.4	3.59	2.33	
E-06-28	131.5	135.5	4	1.78	1.98	
E-06-30	209	211.2	2.2	1.65	1.87	
E-08-31	125	126.7	1.7	1.75	1.73	
E-08-32	162.25	168.1	5.85	2.76	3.18	
E-08-34	188.8	191	2.2	1.25	1.33	

Note: Core from the recent sampling was quartered, providing a smaller sample size than the original half core samples.

Assay results from the re-sampling indicate the zones of gold mineralization also contain silver. This is demonstrated in hole E-04-17, which returned 5.48 g/t Au and 8.66 g/t Ag over a 6.8 metre core length. Core from all of the gold zones is currently being assayed for silver. Eleven drill holes from the 1998 drilling program were also re-logged and re-sampled in the third quarter of 2012.

Potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a mineral resource on any of the Company's properties, and it is uncertain if further exploration will result in any such target being delineated as a mineral resource.

Mechanical trenching on the Elora Patents continues with fourteen trenches mapped and sampled. Work was focused around the Laurentian Mine, which historically produced gold at a grade of 0.41 oz/t (14.1 g/t Au) based on historical mine documents and reports from the Ministry of Northern Development and Mines. Trenching has exposed areas of high structural complexity, showing highly folded quartz veins in oblique orientations to prominent shear structures. Information obtained from this trenching and mapping program will be used to target areas for a future diamond drilling program. Approximately 120 grab samples have been collected from the trenches and assays will be released as results are received, compiled and interpreted.

Plans

The Company expects to utilize the 2012/2013 winter season to commence an exploration program at the Elora Patents. The exploration program, which has been budgeted at approximately $750,000, will comprise targeted drilling.

Kenwest Property

Plans

The Company expects to utilize the 2012/2013 winter season to commence an exploration program at the Kenwest Property. The exploration program, which has been budgeted at approximately $750,000, will comprise targeted drilling.

Other Projects

Plans

Other projects are on hold at the date of this MD&A due to the Company's concentration on the Gaffney Extension, Elora Patents, and Kenwest Property. Subject to the availability of staff and time, exploration programs and budgets may be developed for Manitou's other projects.

Outlook

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that the gold price will be favourable, and hence it may be possible to obtain additional funding for its projects.

Notwithstanding, the Company is mindful that the gold price could fall with little or no notice. Accordingly, its plans for the near term are to conduct focused exploration activities in an efficient manner, to monitor market fundamentals, and to ensure that the Company is well positioned to both advance its properties and to weather any possible resurgence of a market downturn. Currently, access to capital to fund small exploration companies is difficult.

Results from Operations

For the third quarter of 2012, the Company reported a net loss of $113,556 ($Nil per share), compared to a net loss of $3,419 ($Nil per share) in the third quarter of 2011. The net loss realized in the third quarter of 2012 does not include any significant non-cash transactions; however, included in the calculation of the loss of $3,419 in the third quarter of 2011 is a deferred income tax recovery in the amount of $115,891.

During the first nine months of 2012, the Company reported a net income of $451,007 ($0.01 per share), compared to a net loss of $602,936 ($0.02 per share) during the first nine months of 2011. The 2012 year-to-date net income is primarily attributable to flow-through premium income in the amount of $832,000 recorded in the first quarter of 2012. The Company recognized a number of self-offsetting non-cash items during the first nine months of 2011. Specifically, it recognized flow through premium income in the amount of $1,081,000 in the first nine months of 2011. Partly offsetting this flow through premium income during the first nine months of 2011 were a deferred income tax provision in the amount of $248,852 and a write-down of mineral properties in the amount of $394,800.

Revenues

As an exploration stage company, the Company does not generate revenue from operations.

Expenses

For the three months ended September 30, 2012, total general and administrative expenses were $114,614, representing a decrease of $22,260 over the 2011 comparable period. Included in general and administrative expenses for the three months ended September 30, 2012, is $33,333 in severance payments made to members of senior management.

For the nine months ended September 30, 2012, total general and administrative expenditures were $499,234, an increase of $20,593 over 2011 nine-month expenditures of $478,641. The 2012 increase is primarily attributable to the severance payments discussed above, as well as increased office and administrative expenditures, which were associated with a continued increase in corporate activity.

Deferred exploration expenditures

During the nine months ended September 30, 2012, the Company incurred and capitalized to mineral properties and exploration costs, $2,907,299 (nine months ended September 30, 2011 - $4,191,487) of exploration expenditures and $569,664 (nine months ended September 30, 2011 - $767,327) of acquisition and holding costs, for total capitalized expenditures of $3,476,963 (September 30, 2011 - $4,958,814).

During the third quarter of 2012, the Company incurred and capitalized to mineral properties and exploration costs, $1,232,213 (three months ended September 30, 2011 - $1,782,869) of exploration expenditures and $105,030 (three months ended September 30, 2011 - $181,020) of acquisition and holding costs, for total capitalized expenditures of $1,337,243 (September 30, 2011 - $1,963,889).

The total capitalized expenditures were for the Company's following properties:

Property	2012 – Q1	2012 – Q2	2012 – Q3	Year to date Total
Kenwest	$603,684	$29,615	$11,475	$644,774
Canamerica	17,037	69,589	4,566	91,192
Sherridon	149,040	50,084	64,384	263,508
Gaffney Extension	458,034	61,596	1,172,620	1,692,250
Aaronson Creek (Gaffney Ext.)	28,474	1,057	3,349	32,880
West Limb / Merrill	1,689	52,233	36,223	90,145
Harper Lake	28,836	9,245	900	38,981
Mosher Bay	1,350	291,077	5,698	298,125
Sunshine Lake	30,695	4,189	2,700	37,584
Elora	-	252,196	35,328	287,524
Total	**$1,318,839**	**$820,881**	**$1,337,243**	**$3,476,963**

Further details regarding expenditures capitalized to individual mineral properties during the year to date are contained in a schedule to the Company's September 30, 2012, condensed interim financial statements.

Summary of quarterly results

Quarterly results for each of the past eight quarters are as follows:

	2012			2011				2010
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Total revenue		-	-	-	-	-	-	-
Net income (loss)	(113,556)	(145,926)	710,489	(513,099)	(3,419)	(1,041,946)	442,429	(176,104)
Net income (loss)/share [(1)]	(Nil)	(Nil)	0.01	(0.01)	(Nil)	(0.02)	0.02	(Nil)

[(1)] Basic and diluted

Variances in the Company's quarterly net income or loss are largely attributable to variances in non-recurring, predominantly non-cash, quarterly expenditures, such as the write-down of deferred exploration expenditures, stock-based compensation and tax effects of the renunciation of flow-through expenditures (including the recognition of flow-through premium income).

During the third quarter of 2012, the Company paid $33,333 in severance payments to members of senior management. During the second quarter of 2012, the Company paid $178,333 in severance payments to members of senior management. This additional expense was partly offset by a reversal of an over-accrual that was originally recorded in the fourth quarter of 2011.

During the first quarter of 2012, the Company recognized flow-through premium income in the amount of $832,000, giving rise to an above-average level of net income in that quarter. The larger than average loss realized in the fourth quarter of 2011 arose primarily as a result of year end accruals. During the third quarter of 2011, the Company recognized a deferred income tax recovery of $115,891, resulting in a lower than average loss for the quarter.

The Company recognized an above average loss during the second quarter of 2011 due to the recognition of a stock-based compensation expense of $621,000, a write-down of mineral properties in the amount of $388,974, and deferred income tax expense of $138,618, all partly offset by the recognition of flow-through premium income of $293,878. During the first quarter of 2011, the Company recognized flow-through premium income in the amount of $787,122, giving rise to an above-average level of net income in that quarter. During the fourth quarter of 2010, the Company did not recognize any significant non-cash expenditure.

Financial Condition

On September 30, 2012, the Company's total assets amounted to $16,146,372, which compares to $15,980,979 recorded on December 31, 2011. Excluding cash and certain other items, total assets are mostly composed of mineral properties and deferred exploration costs, which at September 30, 2012, totalled $12,742,041 ($9,265,078 on December 31, 2011). The Company's total assets also included the amount of $51,226 ($61,728 on December 31, 2011) related to equipment.

The Company's total liabilities at September 30, 2012, include accounts payable to suppliers and other accrued liabilities of $183,913 ($423,668 at December 31, 2011). In addition, the Company has recorded a flow-through premium liability of $nil at September 30, 2012 ($832,000 at December 31, 2011).

The Company's cash and cash equivalents at September 30, 2012, were sufficient to satisfy its accounts payable and accrued liabilities.

Liquidity and Capital Resources

Liquidity

Because it is an exploration stage company, the Company's liquidity position decreases as expenses are incurred. To mitigate this liquidity risk, the Company budgets both exploration and administrative expenditures and closely monitors its liquidity position. The Company's cash position at September 30, 2012, was $3,133,819 and its net working capital position was $3,169,192. The change in the Company's cash position from the beginning of the year is detailed in the Cash Flow section below.

At September 30, 2012, the Company had an obligation to incur approximately $600,000 of remaining qualifying exploration expenditures on or prior to December 31, 2013, pursuant to the terms of the Offering. Based on planned exploration expenditures for the balance of 2012 and 2013, the Company anticipates that it will meet this spending obligation prior to the deadline.

It is expected that quarterly general and administrative expenditures excluding non-cash items in future periods will be approximately $100,000 to $150,000 per quarter.

The Company currently has sufficient cash to fund exploration and administrative expenditures through 2013 based on its current proposed operations. The Company will be required to complete additional equity financings in order to fund exploration and administrative expenditures beyond 2013.

Share capital

During the first three quarters of 2012, the Company issued 1,150,000 common shares in connection with various property option agreements and 4,000,000 common shares in connection with the Offering. Total common shares outstanding at September 30, 2012, and November 16, 2012, were 53,172,411.

During the first three quarters of 2012, the Company issued 4,000,000 warrants in connection with the Offering. Total warrants outstanding at September 30, 2012, and November 16, 2012, were 18,122,039.

Total stock options outstanding at September 30, 2012, and November 16, 2012, were 4,050,000.

Cash Flow

The cash position of the Company decreased by $3,338,543 during the first nine months of 2012, bringing the cash balance at September 30, 2012, to $3,133,819. The following is a condensed summary of the Company's cash flows for the three and nine month periods ended September 30, 2012, with comparative figures for 2011:

	Three months ended September 30		Nine months ended September 30	
	2012	**2011**	**2012**	**2011**
Cash, beginning of period	4,174,087	10,715,623	6,472,362	2,749,324
Cash provided by (used in) operations	(311,935)	(28,854)	(790,837)	435,087
Issuance of share capital	593,179	302,500	592,699	9,755,436
Mineral properties and capital assets	(1,321,512)	(2,564,363)	(3,140,405)	(4,514,941)
Net increase (decrease) in cash for the period	(1,040,268)	(2,290,717)	(3,338,543)	5,675,582
Cash end of period	3,133,819	8,424,906	3,133,819	8,424,906

Off-Balance-Sheet Arrangements

The Company has no off-balance-sheet arrangements.

Transactions with Related Parties

During the three and nine months ended September 30, 2012, the Company paid $nil and $4,870, respectively (2011 comparable periods $2,435 and $7,306, respectively), on a cost recovery basis, to a company with officers and directors in common, representing the reimbursement of the Company's proportionate share of general and administrative expenditures paid by the related company on behalf of both parties.

For the three and nine months ended September 30, 2012, the Company expensed $10,000 (2011 comparable periods - $nil) to Marrelli Support Services Inc. ("Marrelli Support") for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company. Mr. Marrelli is the president of Marrelli Support.

For the three and nine months ended September 30, 2012, the Company expensed $4,800 (2011 comparable periods - $nil) to DSA Corporate Services Inc. ("DSA") for corporate secretarial services. DSA is a private company controlled by Carmelo Marrelli. Mr. Marrelli is also the corporate secretary and sole director of DSA.

Salaries paid to key management personnel for the three and nine months ended September 30, 2012, totalled $83,333 and $461,667, respectively (2011 comparable periods - $50,000 and $139,792, respectively). Key management personnel consist of the Company's former and current Chief Executive Officer, the Company's President, and the Company's former Chief Financial Officer.

Accounting Standards and Policies

Critical accounting estimates

Critical accounting estimates used in the preparation of the Company's financial statements are discussed further in the notes to the Company's September 30, 2012, condensed interim financial statements and the Company's December 31, 2011, audited consolidated financial statements.

Future accounting pronouncements

Future accounting pronouncements that have been issued but are not yet effective are discussed in the notes to the Company's December 31, 2011, audited consolidated financial statements.

Risks and Uncertainties

The Company's business of mineral exploration has a high level of inherent risk associated with it. Although the Company is optimistic about the potential of its properties, there is no guarantee that any mineral deposits will be identified or that, if such deposits are identified, it will be economically feasible to put them into production. The Company's exploration activities may also be affected by changes in environmental and other governmental regulation.

Additional information relating to risks associated with the Company's business activities is detailed under the heading "Risk Factors" in the Company's prospectus dated February 16, 2010, which is available on SEDAR at **www.sedar.com**. Financial risk factors are also discussed in the notes to the Company's audited financial statements for the year ended December 31, 2011.

Qualified Person

The scientific and technical data included in this MD&A has been prepared under the supervision of, and verified by, Todd Keast, Chief Executive Officer of Manitou and a Qualified Person pursuant to National Instrument 43-101.

Additional Information

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at **www.sedar.com.**

Proposed Transactions

As of the date of this MD&A, there were no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements; and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the Company's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Venture Issuers Without Significant Revenue

General and administrative

	Three Months Ended September 30, 2012 $	Three Months Ended September 30, 2011 $	Nine Months Ended September 30, 2012 $	Nine Months Ended September 30, 2011 $
Administrative and general	24,334	59,263	18,354	230,354
Consulting fees	9,000	nil	9,000	nil
Insurance	2,858	4,764	10,543	15,463
Accounting fees	nil	nil	nil	nil
Rent	1,395	643	5,771	2,786
Reporting issuer costs	4,871	3,435	30,318	28,430
Salaries and benefits	72,156	68,769	425,248	201,608
Total	**114,614**	**136,874**	**499,234**	**478,641**

Financial Instruments

The Company is exposed to credit risk, market risk (consisting of interest rate risk), and liquidity risk.

(a) Credit Risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions, and believes that its accounts receivable credit risk exposure is limited.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices and consists of two types of risk: interest rate risk and other price risk.

(i) Interest rate risk arises because of changes in market interest rates. The Company's cash and cash equivalents are subject to minimal risk of changes in value and are readily convertible into cash.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. The Company's investment policy is to invest its excess cash in high-grade investment securities with varying terms to maturity, selected with regard to the expected timing of expenditures for continuing operations. Accounts payable and accrued liabilities are all current. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

At September 30, 2012, the Company has accounts payable and accrued liabilities of $183,913 (December 31, 2011 – $423,668) due within 12 months and has cash and cash equivalents of $3,133,819 (December 31, 2011 - $6,472,362) to meet its current obligations. As a result, the Company has minimal liquidity risk.

Capital Risk Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, consisting of issued capital stock, warrants, contributed surplus and deficit in the definition of capital.

The Company's primary objective in its capital management is to ensure that it has sufficient cash resources to further explore its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of stock, warrants and debt, or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change in the overall capital risk management strategy during the nine months ended September 30, 2012.

Forward Looking Statements

Certain statements about the Company and its business included in, or incorporated by reference into, this MD&A may constitute forward-looking information within the meaning of applicable securities laws in Canada ("forward-looking information") including without limitation, statements about the potential of the Company's properties; exploration results; potential mineralization; exploration plans; timing of the commencement of operations; the future price of gold and other mineral commodities; success of exploration activities; cost and timing of future exploration; requirements for additional capital; other statements about the financial and business prospects of the Company; and other information about the Company's strategy, plans or future financial or operating performance. The words "anticipates", "believes", "estimates", "expects", "forecasts", "intends", "potential", "targeted", "plans", "projects", "schedule", and similar expressions, or statements that events, conditions or results "will", "may", "might", "could" or "should" occur or be achieved and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

Forward-looking statements are statements about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this MD&A under the heading "Risk and Uncertainties" and risks related to: the actual results of exploration activities; the inherent risks involved in the exploration and development of mineral properties; changes in project parameters as plans continue to be refined; delays in obtaining government approvals; the uncertainties of project cost overruns or unanticipated costs and expenses; title risks related to the ownership of the Company's projects and the related surface rights and to the boundaries of the Company's projects; the Company's limited operating history; uncertainties about the availability and costs of financing needed in the future; fluctuations in mineral prices; uninsurable risks related to exploration; unexpected adverse changes that may result in failure to comply with environmental and other regulatory requirements; uncertainties inherent in competition with other exploration companies; dependence on key management employees; labour and employment matters; unreliable historical data for projects; health and safety risks; compliance with government regulation; and the market price of the Company's shares. The Company believes that the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in, or incorporated by reference into, this MD&A should not be unduly relied upon.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, save and except as may be required by applicable securities laws.

Dated November 16, 2012