NV GOLD CORPORATION

(formerly Dreamweaver Capital Corp.)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTH PERIOD ENDED MAY 31, 2010

The following management discussion and analysis for *NV Gold Corporation* ("the Company") is prepared as of **June 22 2010** and should be read together with the unaudited consolidated financial statements for the nine month period ended May 31, 2010 and related notes attached thereto (financial statements), which are prepared in accordance with Canadian generally accepted accounting principles.

The reader should also refer to the Company's filing statement dated November 16, 2009.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Description of Business

NV Gold Corporation (the "Company") was incorporated under the laws of the province of British Columbia on May 23, 2007. The Company was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, NV Gold Corporation USA, ("NV Gold USA") incorporated in the State of Nevada on July 10, 2009. All inter-company balances and transactions have been eliminated upon consolidation.

The Company completed its qualifying transaction by acquiring all of the issued and outstanding common shares of NV Gold USA, a private exploration stage company as described below under "Reverse Takeover of NV Gold Corporation USA".

The Company is in the process of exploring and developing its mineral properties in the United States and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the mineral properties and upon future profitable production.

Overall Performance

Effective November 23, 2009, the Company completed its acquisition of all the issued and outstanding share capital of NV Gold USA. As consideration, the Company issued 4,600,000 common shares. The Company also issued 414,400 common shares as finder's fees and 438,000 common shares to Evolving Gold Corp.

The Company also raised gross proceeds of $1,273,375 by issuing 5,093,500 common shares from a brokered and non-brokered private placement and an additional $19,736 in gross proceeds from the exercise of 98,680 agent's warrants.

As at May 31, 2010, the Company had $1,015,975 in cash and working capital was $982,762.

Other Events and Transactions

The following is a summary of significant events and transactions that occurred during the nine month period ended May 31, 2010:

1. Changed its name from Dreamweaver Capital Corp. to NV Gold Corporation. The Company's trading symbol changed to "NVX" and began trading under the new symbol effective November 26, 2009.

2. Susan Richards resigned as director, CEO and CFO. G. Ross McDonald resigned as a director of the Company. Quinton Hennigh, Odin Christensen and Wayne Yang were appointed as directors of the Company. John E. Watson was appointed as the new CEO and Ron Schmitz was appointed as the new CFO.

3. Issued 141,080 common shares as finder's fees in connection with the non-brokered private placement.

4. Issued 260,000 agent's warrants to the agent in connection with the brokered private placement.

5. Paid commissions and expenses of $88,972 in connection with the brokered and non-brokered private placements.

6. Granted 1,025,000 stock options to directors, officers and a consultant exercisable at $0.25 until November 23, 2014.

7. Purchased a refundable reclamation bond for $23,786 (US$ 22,600) relating to the exploration of the Fisher Canyon claims in Nevada.

8. Commenced a 28-hole phase one exploration program on its Fisher Canyon project Nevada and announced the results in a news release dated January 4, 2010.

9. Issued 98,680 common shares for gross proceeds of $19,736 pursuant to the exercise of agent's warrants.

10. Processed the necessary filings to change its auditor from MacKay LLP to Davidson & Company LLP, Chartered Accountants.

11. Signed a lease with MinQuest, Inc. to acquire a 100% interest in the Shamrock (Cobre) copper project located in Grant County, New Mexico, USA. The Company paid US$30,000 and is required to incur US$275,000 exploration expenditures in the first year. The lease is for a period of 10 years and is renewable for a further 10 years. The property consists of 45 unpatented mining claims covering approximately 900 acres.

12. On May 14, 2010 signed a Purchase and Sale Agreement ("Agreement") with Gold Standard Royalty (Nevada) Inc., a subsidiary of Golden Predatory Royalty and Development Corp, formalizing the terms of acquisition of the Afgan-Kobeh project. The project is located 28 miles northwest of Eureka, Nevada consisting of 109 unpatented mineral claims covering approximately 2,180 acres.

13. Relinquished its interest in Fisher Canyon Property and wrote-off $488,066 in acquisition and exploration costs.

Subsequent Event

Subsequent to May 31, 2010, the Company received regulatory approval on June 10, 2010 and completed the Agreement to purchase a 100% interest in the Afgan-Kobeh project located in Eureka County, Nevada. Pursuant to the Agreement, the Company paid US$100,000 on closing and issued 600,000 common shares and 600,000 share purchase warrants at an exercise price of $0.40 per share expiring June 14, 2012.

Reverse Takeover of NV Gold Corporation USA

Effective November 23, 2009, the Company completed its acquisition of all the issued and outstanding share capital of NV Gold USA. As consideration, the Company issued 4,600,000 common shares. The Company also issued 414,400 common shares as finder's fees and 438,000 common shares to Evolving Gold Corp.

As a result of the transaction, the former shareholders of NV Gold USA own approximately 59% of the issued and outstanding share capital of the Company upon the completion of the transaction. This transaction constitutes a reverse take-over. Legally, the Company is the parent of NV Gold USA, however, as a result of the share exchange described above, control of the combined companies passed to the former shareholders of NV Gold USA. This type of share exchange, accounted for in a manner similar to that referred to as a "reverse takeover," deems NV Gold USA to be the acquirer for accounting purposes.

The value of the 5,014,400 common shares issued pursuant to the acquisition agreement has been determined by the net monetary assets of the Company on the date of the acquisition, November 23, 2009:

The allocation of the purchase price is as follows:

Cash	$	672,586
Accounts receivable		18,792
Other assets		64,562
Accounts payable		(7,677)
Subscriptions received in advance		(473,375)
Total allocation of the purchase price	$	274,888

These consolidated financial statements for the three month period ended November 30, 2009 reflect the results of operations of NV Gold USA, the legal subsidiary, prior to the reverse takeover on November 23, 2009 and the consolidated assets, liabilities and results of operations of NV Gold USA and the Company subsequent to the reverse takeover. The capital stock represents the authorized and issued shares of the legal parent and the dollar amount of the shareholders' equity is that of the legal subsidiary. These consolidated financial statements are a continuation of the financial statements of the legal subsidiary, NV Gold USA. The comparative figures as at August 31, 2009 are those of the legal subsidiary, NV Gold USA.

Private Placements

Concurrent with the share exchange described above, the Company completed brokered and non-brokered private placements under the following terms:

Brokered private placement

The Company issued 3,000,000 Units for gross proceeds of $750,000 pursuant to a brokered private placement. Each Unit consists of one common share and one half of one warrant exercisable at $0.40 until May 23, 2011. The Company also issued 260,000 agent's warrants exercisable at $0.40 until May 23, 2011. The agent's warrants were valued at $48,314 using the Black-Scholes option pricing model. The Company paid the agent a commission of $60,000, a corporate finance fee of $5,000, an administration fee of $5,000 and other expenses of $18,972.

Non-brokered private placement

The Company issued 2,093,500 Units for gross proceeds of $523,375 pursuant to non-brokered private placement. Each Unit consists of one common share and one half of one warrant exercisable at $0.40 until May 23, 2011. The Company also issued 141,080 common shares as finder's fees.

Mineral Properties

Fisher Canyon Property

The Fisher Canyon Property consists of two separate claim blocks comprising the Fisher Canyon Claims and the Cow Canyon North Claims.

During the nine month period ended May 31, 2010, the Company relinquished its interests in the Fisher Canyon Property and wrote-off $488,066 in acquisition and exploration costs.

Fisher Canyon Claims

A director of the Company entered into a purchase and sale agreement dated June 1, 2009 with the Evolving Gold Corp ("Evolving Gold") to acquire a 100% interest in mineral claims located in Rochester Mining District, Pershing County, Nevada. The agreement was assigned to the Company by the director during the period ended August 31, 2009.

The Company paid US$25,000 to Evolving Gold pursuant to the purchase and sale agreement. In order to acquire the mineral claims, the Company is required to pay Evolving Gold an additional US$250,000 in five annual installments of US$50,000 commencing June 1, 2010.

The Company issued 438,000 common shares to Evolving Gold pursuant to the terms of the qualifying transaction (see Note 4 in the unaudited financial statements for the three month period ended November 30, 2009). Evolving Gold participated in the Company's non-brokered private placement by acquiring 400,000 units of the Company consisting of one common share and one half of one warrant exercisable at $0.40 until May 23, 2011 (see Note 6 in the unaudited financial statements for the nine month period ended May 31, 2010).

Evolving Gold will also retain a 3% Net Smelter Return royalty ("NSR") of which up to 2% may be purchased by the Company for US$750,000.

If the Company fails to make these cash payments or fails to issue or cause to be issued common shares as outlined above, Evolving Gold has the option of terminating the agreement or demanding all the remaining cash payments immediately.

Exploration update on Fisher Canyon Claims

The Company released the results of its 28-hole phase one exploration program on it Fisher Canyon Claims. The results included 55 feet at 0.039 ounce per ton (16.7 metres at 1.345 parts per million) in hole 09-03 and 45 feet at 0.011 ounce per ton (13.6 metres at 0.393 part per million) in hole 09-01. Complete results are tabled here.

Two target areas were tested, the Tom-Tom area in the central portion of the property and the SW area, approximately one mile to the southwest. The drilling tested soil and rock-chip geochemical targets that were defined earlier in the 2009 field program.

A majority of the 28 reverse-circulation drill holes encountered significant gold intercepts. Gold mineralization encompasses an arcuate trend at least 2,100 metres (6,900 feet) long and 50 to 150 metres (150 to 500 feet) wide. Similar nearby deposits, such as Relief Canyon, have comparatively small-surface dimensions, making exploration challenging for this type of deposit. Results indicate additional targets may lie between the Tom-Tom and SW areas as well as north of Tom-Tom. Hole 09-01 remains open to the north.

SIGNIFICANT RESULTS FROM THE 28-HOLE PROGRAM

Hole	TD (ft)	Intercept (ft)	Length (ft)	Grade (ppm)	Grade (oz/t)	Area or zone
09-01	235	65-110	45	0.393	0.011	Tom-Tom
09-03	185	30-85	55	1.345	0.039	Tom-Tom
09-04	300	85-95	10	0.485	0.014	Tom-Tom
		145-150	5	0.787	0.023	
		170-185	15	0.539	0.016	
09-05	125	115-125	10	1.082	0.032	Tom-Tom
		190-205	15	0.345	0.010	
09-07	385	210-225	15	0.794	0.023	Tom-Tom
09-08	260	25-40	15	0.454	0.013	Tom-Tom
		80-130	50	0.575	0.016	
09-09	165	40-65	25	0.826	0.024	Tom-Tom
09-10	150	65-85	20	0.665	0.019	Tom-Tom
09-16	265	5-20	15	0.813	0.024	Tom-Tom
09-19	195	5-35	30	0.200	0.005	Tom-Tom
09-20	285	15-20	5	0.548	0.016	Tom-Tom
09-21	300	20-40	20	0.348	0.010	Tom-Tom
09-23	300	160-180	20	0.214	0.007	SW
09-26	225	40-60	20	0.207	0.006	SW
09-29	180	115-120	5	0.754	0.022	SW

Hole 09-12 was not drilled. Eleven of the remaining 13 holes intersected at least five feet of greater than 50 parts per billion and were considered anomalous for gold.

John E. Watson, the Company's president, said: "This was the company's first exploration drilling program at Fisher Canyon and it succeeded in intersecting gold values in a high percentage of holes drilled. The gold system at Fisher Canyon follows an altered, mineralized rock unit that is traceable over a strike length in excess of three kilometres, with several additional targets remaining to be tested. Although the drilling of the phase I program was considered successful, larger thicknesses will be required to yield an economic-size deposit. To date, higher elevations and steeper topography have made the NT area more challenging from a permitting perspective."

Exploration activities at the Fisher Canyon Property were conducted under the supervision of Michael Gustin, PGeo, of Mine Development Associates, an independent qualified person under National Instrument 43-101. Assays reported were conducted by ALS Chemex (Reno, Nev.), using a fire assay with an AA finish. The data verification procedures and QA/QC procedures followed for the recent drilling program were consistent with those outlined in the technical report on the Fisher Canyon Property dated Sept. 22, 2009, and available for review amongst the Company's documents at SEDAR.

Cow Canyon North Claims

A director of the Company entered into an exploration and mining lease agreement, expiring August 3, 2029, granting the Company the right to conduct exploration activities on certain mining claims located in Pershing County, Nevada. The agreement was assigned to the Company by the director during the period ended August 31, 2009.

Pursuant to the agreement, the Company paid the owners US$7,500 and is required to make additional payments as follows:

	Cash (US$)		Number of Common Shares
On or prior August 3, 2010	$ 10,000	and	100,000
On or prior August 3, 2011	20,000		-
On or prior August 3, 2012	30,000		-
On or prior August 3, 2013	40,000	or	Common stock equivalent
On or prior August 3, 2014 and each anniversary thereafter	50,000	or	Common stock equivalent

The Company is also required to incur exploration expenditures as follows:

	Cash (US$)		Number of Common Shares
On or prior August 3, 2010	$ 100,000		-
On or prior August 3, 2011	-		-
On or prior August 3, 2012	50,000		-
On or prior August 3, 2013	-		-
On or prior August 3, 2014 and each anniversary thereafter	100,000	or	Common stock equivalent

The property is subject to a 3% NSR of which 1% may be purchased by the Company for US$1,000,000 prior to August 3, 2012 and 1% may be purchased for US$3,000,000 prior to August 3, 2014.

Shamrock (Cobre) Copper Property

On May 7, 2010, the Company announced that it signed a lease with MinQuest, Inc. of Reno, Nevada on the Shamrock (Cobre) Copper Property located in Grant County, New Mexico, USA. The property consists of 45 unpatented mining claims covering approximately 900 acres. The Company paid US$30,000 and is required to complete a work commitment of US$275,000 in the first year, with further work expenditure of US$250,000 per year thereafter and annual cash payments escalating to US$75,000 in the tenth year of the lease. The lease is for a 100% interest, subject to a 3% net smelter returns royalty, and is for a 10 year term, renewable for a further 10 years.

Afgan-Kobeh Project

On May 14, 2010, the Company signed a Purchase and Sale Agreement (“Agreement”) to purchase a 100% interest in 109 unpatented mineral claims, subject to a 1% NSR royalty, in the Afgan-Kobeh project located in Eureka County Nevada. The project is to be acquired from Gold Standard Royalty (Nevada) Inc. (“GPR” or the “Vendor”) and is subject to the terms described below.

The Afgan-Kobeh project covers approximately 2,180 acres and consists of 109 unpatented claims. In 2004, Castleworth Ventures Inc. reported a NI 43-101 compliant resource estimate in respect of the property comprising an indicated gold resource of 50,000 ounces (1.85 million tons at an average grade of 0.027 oz Au/ton (0.926 g Au/t)) and an inferred gold resource of 34,000 ounces (1.29 million tons at an average grade of 0.026 oz Au /ton (0.891 g Au/t)) using a cut-off of 0.010 oz Au/ton (0.343 g Au/t), based on 134 drill holes completed prior to 1998. The historic report also recommends exploration of several targets established from the accumulation of earlier work. This project is located in northeastern Nevada, approximately 28 miles northwest of the town of Eureka along the Battle Mountain-Eureka Trend (also referred to as the Cortez Trend).

Under the Agreement, the Company will purchase the project by paying the Vendor US$200,000 in cash, of which US$100,000 is to be paid on closing and US$100,000 is to be paid on the first anniversary of closing, and issuing the Vendor 600,000 shares and 600,000 share purchase warrants (the "Warrants") entitling the holder to purchase an additional 600,000 shares of the Company at a price of CDN $0.40 until June 14, 2012. The expiry date of the Warrants will be subject to acceleration such that, should the volume weighted average price of the common shares in the capital of the Company exceed CDN $0.60 for twenty consecutive trading days, the Company may notify the Vendor in writing that the Warrants will expire 15 trading days from receipt of such notice unless exercised before such date. Closing of purchase will be subject to customary conditions precedent, including approval of the TSXV to the purchase, the Company being satisfied with its due diligence and the settlement of a binding agreement setting forth detailed terms of the purchase.

Under the Agreement, the Company has also agreed to appoint a director designated by the Vendor and include the Vendor's nominee as a Board nominee for the following two annual general meetings and has agreed to give the Vendor rights to participate pro rata in further financings by the Company.

The Company completed the Agreement and received regulatory approval from the TSXV subsequent to the period.

Summary of Quarterly Results

The Company does not have historical quarterly results for comparison because it started operations on July 10, 2009.

	Three month period ended May 31, 2010	Three month period ended February 28, 2010	Three month period ended November 30, 2009	Period from incorporation on July 10, 2009 to August 31, 2009
Total assets	$ 1,121,289	$ 1,597,774	$ 1,815,301	$ 233,257
Working capital	982,762	1,080,223	1,217,482	51,913
Shareholders' equity	1,050,221	1,573,370	1,670,079	194,122
Interest income	365	462	61	-
Net loss	(546,674)	(99,446)	(358,039)	(35,686)
Other comprehensive loss	-	-	-	(190)
Loss per share	(0.04)	(0.01)	(0.09)	(0.01)

The Company completed its qualifying transaction as described above under "Reverse Takeover of NV Gold Corporation USA" on November 23, 2009. As a result, there is limited quarterly information to report. The Company completed a brokered and non-brokered private placement issuing 5,093,500 common shares for total gross proceeds of $1,273,375. The Company paid the agent a commission of $60,000, a corporate finance fee of $5,000, and administration fee of $5,000 and other expenses of $18,972. The Company also issued 260,000 agent's warrants and 141,080 common shares as finder's fees. The Company expanded its exploration program on the Fisher Canyon claims in Nevada and the subsequently decided to relinquish its interest in the Fisher Canyon claims. As a result, $488,066 in acquisition and exploration costs were charged to operations during the current period. All of these factors have contributed to an increase in total assets, working capital, shareholder's equity and net loss when compared to the period ended August 31, 2009.

The Company has not paid any dividends and it has no present intention of paying dividends on its common shares as it anticipates all available funds will be invested to finance the growth of its business.

The Company changed its reporting currency from United States Dollars to Canadian Dollars. During the period, the Company completed its qualifying transaction, as described above, with a private Nevada based exploration stage company, NV Gold USA. These consolidated financial statements reflect the reverse takeover of the Company by NV Gold USA. The reason for the change in reporting currency is that the Company trades in Canadian Dollars on the TSXV and all its equity issuances are in Canadian Dollars. NV Gold USA's balance sheet as at August 31, 2009 has been converted from United States Dollars to Canadian Dollars as follows:

	United States Dollars	Foreign Exchange	Canadian Dollars
Cash	$ 81,944	$ 1.1111	$ 91,048
Deferred acquisition costs	11,251	1.1111	12,502
Mineral properties and deferred costs	116,738	1.1111	129,707
Accounts payable and accrued liabilities	35,222	1.1111	39,135
Capital stock	4,600	1.1111	5,111
Contributed surplus	202,400	1.1111	224,887
Deficit	(32,289)	1.1052	(35,686)

As a result of the conversion from United States Dollars to Canadian Dollars, there was a cumulative translation adjustment of $190 which is recorded under other comprehensive income at August 31, 2009. Going forward, any foreign exchange difference on the conversion of United States Dollars to Canadian Dollars will be charged directly to operations.

Results of Operations

During the nine month period ended May 31, 2010, the Company had a net loss of $1,004,159 (period from incorporation on July 10, 2009 to August 31, 2009 - $35,686). The net loss is comprised of some of the following items:

- Consulting fees of $53,863 (August 31, 2009 - $Nil) have increased because the Company's president entered into a consulting agreement with the Company effective November 1, 2009 for US$7,000 per month plus US$1,500 in office expenses which are shown in office and general costs.

- Office and general costs of $10,725 (August 31, 2009 - $227) have increased because the Company's activities have increased which includes office rent of $1,822 effective November 1, 2009.

- Professional fees of $94,239 (August 31, 2009 - $21,687) have increased over the comparative period due to the increase in activity upon completion of the qualifying transaction.

- Registration and filing fees of $8,533 (August 31, 2009 - $Nil) consist of ongoing regulatory fees associated with maintaining public company status.

- Stock-based compensation expense of $330,895 (August 31, 2009 - $Nil) relates to the fair value assigned to 1,025,000 stock options granted to directors, officers and a consultant. The fair value was calculated using the Black-Scholes option pricing model. This is a non-cash charge to operations.

- Transfer agent fees of $5,443 (August 31, 2009 - $Nil) have increased over the comparative period when the Company was private and it did not require the services of a transfer agent.

- Travel and related costs of $10,818 (August 31, 2009 - $13,772) are consistent to the comparative period and relate to directors and officers traveling to the Company's mineral claims site and for other Company related matters.

- The Company had a foreign exchange gain of $5,114 (August 31, 2009 - $Nil) resulting from an appreciation of the Canadian Dollar in relation to the US Dollar. The Company has substantial assets and expenses in US Dollars which are converted to Canadian Dollars for financial reporting purposes.

- Earned interest income of $888 (August 31, 2009 - $Nil) on funds held in the bank.

- Recorded a write-off $488,066 (August 31, 2009 - $Nil) in mineral property costs related to the Fisher Canyon Property.

Related Party Transactions

The Company entered into the following transactions with related parties during the nine month period ended May 31, 2010:

i) Paid or accrued $51,979 (August 31, 2009 - $Nil) in consulting fees and $5,745 (August 31, 2009 - $Nil) in office and general costs to a director of the Company.

ii) Paid or accrued $1,884 (August 31, 2009 - $Nil) in consulting fees to a director of the Company.

iii) Paid or accrued $24,233 (August 31, 2009 - $Nil) in professional fees to a company controlled by an officer of the Company.

iv) Paid of accrued $8,824 (August 31, 2009 - $Nil) in geological consulting fees to a director of the Company.

Included in accounts payable and accrued liabilities is $16,564 (August 31, 2009 - $5,000) due to the above related parties.

The related party transactions have been in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related party.

Liquidity

The Company has financed its operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	May 31, 2010	August 31, 2009
Working capital	$ 982,762	$ 51,913
Deficit	(1,039,845)	(35,686)

Net cash used in operating activities for the period was $181,111. This amount consists of an operating loss of $1,004,159, items not affecting cash of $819,235 consisting of $274 as foreign exchange on the reclamation bond, $330,895 relating to stock-based compensation and $488,066 for the write-off of the Fisher Canyon Property, a decrease in accounts receivable of $8,219 an increase in prepaids of $27,282 and an increase of $22,876 in accounts payable and accrued liabilities.

Net cash provided by investing activities for the period was $369,876, consisting of $672,586 in cash acquired in the reverse takeover of NV Gold USA, $23,857 for the acquisition of a reclamation bond, $291,355 incurred as mineral property and deferred exploration costs and $12,502 relating to deferred acquisition costs in connection with the acquisition discussed above.

Financing activities provided net cash of $736,162 from the issuance of 3,298,680 common shares for gross proceeds of $819,737 and the payment of $83,575 in share issue costs.

Financial Instruments and Risk Management

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 a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at May 31, 2010, the Company had a cash balance of $1,015,975 to settle current liabilities of $71,068. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

(b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to 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. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, and cash.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at May 31, 2010.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 6 in the unaudited consolidated financial statements for the nine month period ended May 31, 2010 for description of the capitalized exploration and development costs presented on a property-by-property basis.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares Issued or issuable
Common shares	14,606,660
Stock options	1,265,000
Warrants	3,146,750
Agent's warrants	260,000

On November 23, 2009, 560,000 common shares were released from escrow and on May 23, 2010 an additional 840,000 common shares were released from escrow. As at May 31, 2010 there are 4,200,000 common shares held in escrow.

Recent Accounting Pronouncement

Business combinations, Non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning September 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

Changeover Plan to International Financial Reporting Standards ("IFRS")

In February 2008, the AcSB confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences on recognition, measurement and disclosures. In the period leading up to the changeover, the AcSB will continue to issue accounting standards that are converged with IFRS, thus mitigating the impact of adopting IFRS at the changeover date. The International Accounting Standard Board (IASB) will also continue to issue new accounting standards during the conversion period, and as a result, the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable at the conversion date are known.

For the Corporation, the changeover to IFRS will be required for interim and annual financial statements beginning on August 31, 2011. As a result, the Company has developed a plan to convert its Consolidated Financial Statements to IFRS. In order to prepare for the changeover to IFRS, the Company has developed an IFRS conversion plan comprised of three phases:

Phase description and status

1. Preliminary planning and scoping

This phase involves development of the IFRS conversion plan. The IFRS conversion plan includes consideration of the impacts of IFRS on the Company's consolidated financial statements, internal control over financial reporting, information systems and business activities such as foreign operations, compensation metrics, personnel and training requirements. Based on Management's review of IFRS and current Company processes, minimal impact is expected on information systems, operations of foreign subsidiaries and compensation metrics. An initial assessment identified standards of high or medium priority to the Company, based on a number of factors. The International Accounting Standards Board has activities currently underway which may, or will, change the standards effective upon the Company's adoption of IFRS, and therefore may impact this initial high level assessment. The Company will assess any such change as a component of its Detailed Impact Assessment phase and update its IFRS conversion plan as appropriate.

2. Detailed impact assessment

This phase involves detailed review of IFRS relevant to the Company and identification of all differences between existing Canadian GAAP and IFRS that may or will result in accounting and/or disclosure differences in the Company's consolidated financial statements, along with quantification of impact on key line items and disclosures. The assessment to date is that the Company has not identified any differences between its existing accounting policies under Canadian GAAP to those it expects to apply in its first IFRS financial statements. The International Accounting Standards Board ("IASB") continues to amend and add to current IFRS standards with several projects underway. The Company's transition plan includes monitoring actual and anticipated changes to IFRS and related rules and regulations and assessing the impacts of these changes on the Company and its financial statements, including expected dates of when such impacts are effective.

3. Implementation

This phase will embed the required changes for conversion to IFRS into the underlying financial disclosure and reporting process and business processes. This will include finalization and approval of accounting policy changes, collection of financial information necessary to prepare IFRS compliant consolidated financial statements, implementation of additional internal controls, and preparation and approval of completed IFRS consolidated financial statements.

A detailed analysis of the difference between IFRS and the Company's accounting policies as well as an assessment of the impact of various alternatives are in progress. Changes in accounting policies are likely and may materially impact the Company's Consolidated Financial Statements.

Outlook

The Company's primary focus for the foreseeable future will be on the exploration and development of its mineral properties in Nevada and New Mexico.