



**Quarterly Report to Shareholders
March 31, 2011**

RED MILE MINERALS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED MARCH 31, 2011

Background

This discussion and analysis of financial position and results of operations is prepared as at June 29, 2011 and should be read in conjunction with the unaudited interim financial statements and corresponding notes for the period ended March 31, 2011 of Red Mile Minerals Corp. ("Red Mile" or the "Company") which are Red Mile's first interim financial statements prepared in accordance with the new International Financial Reporting Standards ("IFRS"). The new standards became effective January 1, 2011 and replace the previous Canadian generally accepted accounting principles ("GAAP"). The effects of the new accounting standards are discussed below under New Accounting Policies – Conversion to IFRS.

Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Company's results of operations and financial condition. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Company Overview

The Company was incorporated under the laws of the Province of Alberta on May 31, 2007 and continued into the Province of British Columbia on June 3, 2010.

The Company issued 2,200,000 common shares, at a price of \$0.10 per share, to the directors, officers and seed shareholders on June 6, 2007 for aggregate gross proceeds of \$220,000.

On August 24, 2007, the Company received final receipts for a prospectus dated August 23, 2007 and became a reporting issuer in the Provinces of Alberta and British Columbia. On November 6, 2007, the Company completed its initial public offering to raise \$800,000. Subsequently, on November 12, 2007, the Company's common shares were listed on the TSX Venture Exchange ("TSXV"), as a capital pool company, under the trading symbol "RDM.P". The Company received final approval of its Qualifying Transaction in February 2010 and subsequently changed its name to Red Mile Minerals Corp. The Company's common shares continue to trade under the symbol "RDM".

Qualifying Transaction Summary

The Company completed the arm's length acquisition (the "Acquisition") from Russet Lake Resources Inc. ("Russet Lake") of all of Russet Lake's interest in the option (the "Option") to acquire a 100% interest in the Blue Quartz Property, Beatty Township, Ontario (the "Property"), subject to net smelter return royalties totaling 2.5% (the "NSR"), previously announced by Red Mile in its Press Release dated June 25, 2009. The Option is held under an option agreement between Russet Lake and Thundermin Resources Inc. and Wesdome Gold Mines Ltd. (the "Optionors") dated September 1, 2008 (the "Option Agreement"). Pursuant to the terms of an Assignment and Assumption Agreement dated August 25, 2009, as amended November 27, 2009, (the "Acquisition Agreement") between Red Mile, Russet Lake and the Optionors, Red Mile issued 3,505,000 of its Common Shares to Russet Lake and acquired, by assignment and assumption of remaining obligations, all of Russet Lake's interest in the Option Agreement. Accordingly, Red Mile now holds the Option to acquire a 100% interest in the Property, subject to the NSR. Under the terms of the Acquisition Agreement, the 3,505,000 Common Shares were issued to Russet Lake at a fair value of \$0.06 per Common Share for an aggregate acquisition value of \$210,300 and are subject to Escrow Restrictions as imposed by the TSX Venture Exchange (the "Exchange").

Pursuant to the terms of the Acquisition Agreement, Russet Lake's remaining obligations under the Option Agreement that have been assumed by Red Mile include, in addition to those related to area of interest provisions, the NSR (up to an aggregate 0.5% of which can be bought down for \$500,000), and possible repayment of certain exploration and development expenditures out of net profits from operations on the Property if brought into

production, in respect of which Red Mile is to be indemnified by Russet Lake for any amount Red Mile is required to repay in excess of \$1 million, the following in order to exercise the Option:

- (i) paying \$20,000 and issuing 50,000 Red Mile Common Shares to the Optionors on or before September 1, 2009, which cash payment has been made with funds advanced by Red Mile and which share issuance has been made;
- ii) paying \$20,000 and issuing 100,000 Red Mile Common Shares to the Optionors and completing \$150,000 in work expenditures in respect of the Property on or before September 1, 2010, all of which have been completed; and
- iii) paying \$20,000 and issuing 100,000 Red Mile Common Shares to the Optionors and completing \$250,000 in work expenditures in respect of the Property on or before September 1, 2011.

Property Descriptions

Blue Quartz

The Blue Quartz Property is located approximately 12 kilometres north-northeast of Matheson, 73 kilometres east-northeast of Timmins and 56 kilometres northwest of Kirkland Lake, all located in the Province of Ontario.

The Property consists of 25 patented mining claims, all with surveyed boundaries, located in Beatty Township, Ontario. As of April 2004, the patented mining claims have been consolidated into 1 parcel – Parcel 23623 covering approximately 400 ha.

The Qualifying Property is subject to net smelter returns royalties totalling 2.5%, up to an aggregate 0.5% of which can be bought for \$500,000.

Patented claims do not have due dates or expiration dates. Assessment work is filed with the Ontario Ministry of Northern Development and Mines. The only payments in respect to the Qualifying Property are annual tax filings to the Ontario Ministry of Northern Development and Mines (2010 - \$1613.36, and municipal taxes to the township of Black River-Matheson, Ontario (2010 - \$653.85).

After the Qualifying Transaction was approved by the TSXV, the Company formally planned and approved a diamond drill program. Cabo Drilling Ontario Corporation has been awarded the surface diamond drilling contract for approximately 1500 meters of NQ diamond drilling over 6 holes. The program is designed to test Blue Quartz auriferous structures associated with the Pipestone fault at depth below the current underground workings and along strike to the north west of existing workings as outlined in the NI 43-101 Technical Report by Luc Rioux P.Ge., (Amended July 27th, 2009) and filed on Sedar. Total budget for the program is \$200,000 and once complete will constitute the final requirement stipulated by the TSX Venture Exchange for minimum listing requirements (MLR) for Red Mile as a Tier 2 issuer. This drill program commenced May 10, 2010 and was completed June, 2010.

The 4-hole drill program tested the gold potential of the Blue Quartz vein and No. 2 vein along strike and down dip from the historical Blue Quartz mine workings developed on these veins. Drill hole collar, azimuth, dip, and hole length information are below:

Hole ID	UTM North*	UTM East*	Azimuth	Dip	Length (m)
RBQ-10-01	5384062	547422	325	-45	351.1
RBQ-10-02	5384062	547422	340	-51	384.0
RBQ-10-03	5384062	547422	340	-45	357.0
RBQ-10-04	5384151	547212	360	-45	409.0

RBQ-10-01 intersected the Blue Quartz vein containing pyrite, arsenopyrite, and sphalerite 150 meters along strike and to the west of previous workings. No significant assays were returned. The main No. 2 vein was intersected 50

meters down dip and directly beneath the western extent of the former mine workings. The vein consisted of pyrite in a quartz chlorite matrix, and assayed 5.3 g/t Au over 2.3 meters. A subsidiary vein system, intersected approximately 40 meters up dip, assayed 0.6 g/t Au over 4.2 meters, and will be referred to as the No. 2a vein.

RBQ-10-02 intersected the Blue Quartz vein 125 meters along strike from the historic workings, however, no significant assays were returned. The No. 2 vein assayed 23.8 g/t Au over 1.0 meter included within 11.9 g/t Au over 2.2 meters, and a broader interval of 1.83 g/t Au of 20.8 meters. The vein was intersected 100 meters down dip from the former mine workings (including BQ-89-12 – 1.06 g/t Au over 25.6 m), and 40 meters below a historic drill intersection (RBQ-90-18) that returned values of 0.86 g/t Au over 75.6 meters.

RBQ-10-03 intersected the Blue Quartz vein 25 meters up dip of RBQ-10-02. No significant assays were returned. The No. 2 vein was intersected from 319-340 meters down hole and 60 meters up dip of RBQ-10-02. Here, a quartz, chlorite pyrite zone was intersected over 0.2 meters and returned 57.4 g/t Au within a broader zone of 1.6 g/t Au over 9.1 meters.

RBQ-10-04 intersected the No. 2 vein which assayed 1.5 g/t Au over 4.0 meters. The No. 2 vein intersection is 40 meters along-strike to the west of the former mine workings and between levels.

A summary of significant gold assay intervals is summarized in Table 1 below.

Table 1: Significant Assays

<u>Hole ID</u>	<u>From (m)</u>	<u>To (m)</u>	<u>Interval (m)</u>	<u>Au (g/t)</u>	<u>Vein</u>
RBQ-10-01	301.10	305.30	4.20	0.6	No. 2a
RBQ-10-01	339.15	341.95	2.80	5.3	No. 2
RBQ-10-02	355.10	375.90	20.8	1.8	No. 2
RBQ-10-02	373.70	375.90	2.20	11.9	No. 2
RBQ-10-02	373.90	374.90	1.00	23.8	No. 2
RBQ-10-03	327.80	336.85	9.10	1.6	No. 2
RBQ-10-03	327.80	328.00	0.20	57.4	No. 2
RBQ-10-04	185.70	189.70	4.00	1.5	No. 2

In December 2010 the Company signed an option agreement with McLaren Resources Inc (CNSX: MCL) “McLaren” whereby McLaren can earn 50% of the Company’s interest in the Blue Quartz Property. In addition, upon McLaren earning a 50% interest, McLaren will have the right of first refusal for the remaining 50%.

To acquire 50% of Red Mile’s interest in the Blue Quartz Property, McLaren has made a cash payment of \$10,000 and is required to spend a minimum of \$200,000 in exploration and development expenditures on or before September 1, 2011.

On April 21, 2011 McLaren Resources Inc. announced the results of a 5 hole 1690 metres drilling program including 13.95 grams over 2.0 meters on the Blue Quartz Property located in the eastern part of the Timmins Mining District, 10 km from the Black Fox Mine. For further details please see Subsequent Events below.

Dorset, Newfoundland

On October 25th, 2010, the Company announced that it has acquired an option (the "Agreement") to earn a 100% interest in the Dorset gold property located in northern Newfoundland, Canada from Tenacity Holdings Inc. ("Tenacity") of St. John's, Newfoundland.

The Dorset property lies approximately 7km west southwest of Rambler Metals & Mining PLC Ming Mine Project and 10 km southwest of Anaconda Mining Incorporated's Pine Cove Gold Mine. The Dorset Property is comprised of eight mineral licences encompassing 69 claims totalling 1725 hectares in area.

History

The Dorset property covers 12 kilometers of strike length along the 'Baie Verte Line' crustal suture prospective for gold mineralization in Newfoundland. The property includes the original Dorset showing discovered in 1988 which assayed up to 408 g/t gold in a grab sample followed by representative channel samples from surface trenching of 177 g/t gold over 0.35 meters; 56 g/t gold over 2.5 meters, and 42 g/t gold over 1.5 meters over a strike length of 150 meters. Gold discoveries in the mid-1990's along strike over the 12 km property length include grab samples from outcrop of 10.9 g/t gold, 18.7 g/t gold, and panned concentrates up to 6.2 g/t gold in locally-derived till. None of these have been followed up by diamond drilling or trenching.

John Hickey, President & CEO of Red Mile commented: "We are excited about acquiring a quality property in a structurally favourable setting, that has been under-explored and has had several multi ounce gold showings."

Transaction Terms

To acquire a 100% interest in Tenacity's Dorset Property, Red Mile will issue 100,000 shares in tranches of 25,000 upon signing (issued) and 25,000 shares every 6 months for 18 months (50,000 issued), and in addition issue 1,000,000 non-transferable common share purchase warrants in tranches of 250,000 upon Regulatory Approval (issued), 250,000 every 6 months (500,000 issued), for eighteen months after signing of the Agreement. The share purchase warrants entitle Tenacity to purchase one common share per warrant for a period of eighteen months from the date of issue at a price equal to the closing market price on the day prior to the respective dates of issuance of the warrants.

Red Mile must also incur exploration expenses of not less than \$750,000 by October 18, 2015. A 2.5% net smelter return royalty ("NSR" or "Royalty") has been reserved in favour of Tenacity; Red Mile may purchase and terminate 40% of the Royalty at any time upon paying to Tenacity Gold an aggregate cash payment of \$1,000,000 whereupon the Royalty will be reduced to a 1.5% NSR.

Work Plan

Field work commenced in early March 2011 on the Dorset Property. SCI Exploration completed 70 line kilometers of new grid during the month to facilitate ground magnetic and IP geophysical surveys. Ground Magnetic and IP geophysical surveys were completed during the 2nd quarter. Geophysical data is now being compiled in preparation for a summer diamond drill program.

Forward Looking Statements

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and

other statements relating to the financial and business prospects of the Company.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such forward-looking information would include, but is not limited to, risks related to:

- the Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold;
- management's assessment of future plans for the Company's Blue Quartz Property;
- management's economic outlook regarding future trends;
- the Company's expected exploration plans for Blue Quartz, and, in particular, the availability of skilled labour, timing and the amount of the expected exploration budget;
- the Company's ability to meet its working capital needs at the current level in the short term;
- expectations with respect to raising capital; and
- governmental regulation and environmental liability.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate and readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Selected Interim Financial Information

There were no changes to quarterly 2010 financial information required as a result of the conversion to IFRS. A summary of selected interim financial information is as follows:

	For the three month period ended					CANADIAN GAAP		
	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
	2011	2010	2010	2010	2010	2009	2009	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and term deposits	378,117	499,367	90,765	179,294	477,090	593,382	623,164	740,832
Loss before income taxes	(56,750)	(40,672)	(40,532)	(104,780)	(99,594)	(67,543)	(106,630)	(31,712)
Loss for the quarter	(30,076)	(40,672)	(40,532)	(104,780)	(99,594)	(67,543)	(106,630)	(31,712)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)
Total assets	1,003,806	997,879	540,387	587,973	687,348	620,922	654,150	745,435

The Company has had no revenues other than interest on term deposits. Accordingly, each quarter, cash and term deposits have decreased as funds are spent on property acquisition and exploration, as well as on administrative expenses and increased by funds raised through financings. Cash and term deposits have decreased from \$499,367 at December 31, 2010 to \$378,117 at March 31, 2011 as a result of administrative expenses and expenditures on the

Dorset Property in Newfoundland. Administrative expenses have remained relatively stable as compared to the previous two quarters. The loss before income taxes for the current quarter of \$56,750 is significantly less than the loss for the first quarter 2010 which is largely due to increased professional fees and regulatory fees in first quarter 2010 as a result of completion of the Blue Quartz agreement.

The Company recorded a deferred tax recovery in the amount of \$26,674 in the first quarter 2011 as a result of realization of premiums on the December 2010 private placement flow-through shares relating to expenditures renounced effective December 31, 2010 which were expended at March 31, 2011.

Financial Condition / Capital Resources

Since inception, the Company's capital resources have been limited to amounts raised from the sale of common shares in the Company. From inception to December 31, 2009, the Company raised \$1,020,000 gross proceeds from the sale of its common shares.

In December 2010, the Company issued 1,225,000 units at a price of \$0.10 per unit and 2,500,000 flow-through units at \$0.125 for total proceeds of \$435,000 by way of a non-brokered private placement. Each non-flow-through unit consisted of one common share and one common share purchase warrant exercisable for two years at a price of \$0.20. Each flow-through unit consisted of one flow-through common share and one-half of one common share purchase warrant, each whole warrant exercisable for two years at a price of \$0.25. The Company also issued 25,000 non-flow-through units (valued at \$2,500) and 168,000 common share purchase warrants (valued at \$10,080) as finders' fees on completion of the private placement. The finders' units bear the same rights as the non-flow-through units of the private placement. The finders' warrants are exercisable for a period of one year at a price of \$0.10. The Company also paid \$10,000 in finders' fees.

As at March 31, 2011, the Company had working capital of \$284,608. At the current rate of expenditure, the Company has sufficient working capital to meet its 2011 administrative overhead and complete its 2011 work expenditures on its mineral properties.

Related Party Transactions

The Company entered into the following transactions with related parties during the period ended March 31, 2011:

- a) paid management fees of \$12,500 (2010 - \$Nil) to a director and officer of the Company;
- b) paid accounting fees of \$8,865 (2010 - 2,880) to parties related to a director of the Company.

Included in accounts payable at March 31, 2011 is \$4,600 (2010 - \$2,880) owing to officers and directors of the Company and parties related thereto.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Income Taxes

The Company currently has no active business and therefore any tax liability is limited to taxes on income received from cash on deposit. In the future, the Company anticipates that this tax position will change. During the first quarter 2011, the Company recorded a deferred income tax recovery in the amount of \$26,674 relating to unrenounced flow-through share premiums on flow-through shares issued in December 2010. A liability for unrenounced flow-through share premiums in the amount of \$35,826 remains on the balance sheet which will be discharged as the remaining flow-through funds are expended. For the year ended December 31, 2010, expenses exceeded interest income, resulting in a loss for tax purposes.

Risks and Uncertainties

As the Company has not commenced principal operations, historical revenue and expenditure trends are not indicative of future activity. The Company has committed to certain work expenditures on the Blue Quartz gold property, and may enter into future agreements. The ability of the Company to fund its future operations and commitments is dependent on its ability to obtain additional financing.

Risks of the Company's business include the following:

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration and development of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to life or property, environmental damage and possible legal liability. The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, taxes, labour standards, toxic substances and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations governing operations and exploration activities, no assurance can be given that new rules and regulations, amendments to current laws and regulations or more stringent implementation thereof could have a substantial adverse impact on the Company's activities.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors

and employees. There is no assurance that future changes in environmental regulations, laws and permits, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

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 the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause commercial production to be impracticable.

Uninsured Risks

The Company carries insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Land Title

Although the Company has obtained a title opinion with respect to its property, there may still be undetected title defects. Accordingly, the property may be subject to prior unregistered liens, agreements, transfers, claims or other undetected defects, which may affect title and could have a material adverse impact on the Company's operations.

Aboriginal Land Claims

No assurance can be given that aboriginal land claims will not be asserted in the future, in which event, the Company's operations and title to its property may be adversely affected.

New Accounting Policies

Conversion to IFRS

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

As a result of the conversion to IFRS, the significant accounting policies of the Company have been included in Note 2 - Summary of Significant Accounting Policies in the interim financial statements for the three months ended March 31, 2011. Details of the changes required to previous financial statements as a result of this conversion are detailed in Note 14 – Transition to IFRS in the March 31, 2011 interim financial statements.

Recent Accounting Pronouncements

Amendments to IFRS 7 “Financial Instruments: Disclosures”

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after July 1, 2011

New standard IFRS 9 “Financial Instruments”

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

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

Additional Disclosure for Venture Issuers Without Significant Revenue

First Quarter Operating Expenses

	Three months ended March 31	
	2011	2010
EXPENSES		
Amortization	\$ -	\$ 855
Corporate administration fees	1,535	6,175
Management and financial consulting	21,365	12,843
Office and miscellaneous	958	730
Professional fees	7,834	41,778
Promotion and advertising	7,661	6,733
Regulatory fees and transfer agent fees	11,485	12,531
Rent	4,500	-
Stock-based compensation	-	10,350
Telephone	1,200	368
Travel and related costs	212	100
	\$ 56,750	\$ 92,463

Disclosure of Outstanding Share Data

Authorized and Issued Share Capital

Class	Par Value	Authorized	March 31, 2011 Issued	June 30, 2011 Issued
Common	Nil	Unlimited	13,690,000	13,775,000
Preferred	Nil	Unlimited	Nil	Nil

Subsequent to the period end the Company issued 25,000 shares pursuant to its Dorset property option and issued 60,000 shares in settlement of services provided to the Company.

Escrowed Shares

The initial 2,200,000 common shares issued on incorporation and all common shares that may be acquired from treasury of the Company by non-arm's length parties of the Company prior to completion of a Qualifying Transaction have been deposited with Computershare Investor Services Inc. under the Escrow Agreement dated June 30, 2007. Subsequent to the Company's completion of its Qualifying Transaction, 10% of these shares were released, and an

additional 15% will be released each six months thereafter. The 3,505,000 shares issued to acquire the Blue Quartz property were deposited into escrow, with 175,250 released upon approval by the TSX of the Qualifying Transaction, 175,250 released 6 months later and the balance to be released on a schedule over a period of 2.5 years. 132,000 common shares held by insiders were deposited into escrow, with 10% released upon approval by the TSX of the Qualifying Transaction, and an additional 15% to be released each 6 months thereafter.

Description of Options, Warrants and Convertible Securities Outstanding March 31, 2011

Security Type	Number	Exercise Price	Expiry Date
Options	460,000	\$0.20	November 6, 2012
Options	225,000	\$0.10	February 4, 2015
Warrants	250,000	\$0.10	November 17, 2015
Warrants	25,000	\$0.20	December 24, 2012
Warrants	168,000	\$0.10	December 24, 2011
Warrants	1,225,000	\$0.20	December 24, 2012
Warrants	1,250,000	\$0.25	December 24, 2012

During the period, 160,000 stock options exercisable at \$0.20 expired.

Description of Options, Warrants and Convertible Securities Outstanding June 29, 2011

Security Type	Number	Exercise Price	Expiry Date
Options	460,000	\$0.20	November 6, 2012
Options	225,000	\$0.10	February 4, 2015
Warrants	250,000	\$0.10	November 17, 2015
Warrants	25,000	\$0.20	December 24, 2012
Warrants	168,000	\$0.10	December 24, 2011
Warrants	1,225,000	\$0.20	December 24, 2012
Warrants	1,250,000	\$0.25	December 24, 2012
Warrants	250,000	\$0.135	April 11, 2016

Subsequent to the period end the Company issued 250,000 warrants exercisable at \$0.135 to April 11, 2016 pursuant to the Dorset property option.

SUBSEQUENT EVENTS

McLaren Resources Inc. announced the results of a 5 hole 1690 metres drilling program including 13.95 grams over 2.0 meters on the Blue Quartz Property located in the eastern part of the Timmins Mining District, 10 km from the Black Fox Mine. The recent results expand the gold mineralization to depth and along strike. The deepest hole intercepted 63 meters of gold mineralization starting at a depth of 351 meters down hole.

Significant Results Include:

HOLE #	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t)
MBQ-11-07	77.26	78.26	1.0	13.3
MBQ-11-09	341.7	343.7	2.0	13.95
and	367.0	374.0	7.0	1.34
MBQ-11-10	155.57	158.67	3.1	5.51
Includes	155.57	156.89	1.3	10.5
and	351.00	414.00	63.0	1.21
Includes	357.00	361.00	4.0	5.56
Includes	358.00	359.50	1.5	12.8

Geotechnical Update

Diamond Drill holes MBQ-11-9 and 10 were among the 2 deepest holes drilled to date on the property and intersected a wide interval of hydrothermal alteration with gold mineralization that include a substantial width of lower grade mineralization, 1.21 grams per tonne gold over 63 meters as well as a higher grade core of 12.8 grams per tonne gold over 1.5 meters. These 2 holes were located at the west end and below the historic underground workings as well as to the west and below the majority of the limited drilling completed on the property to date. To date the mineralized zone is open to depth and down plunge with indications that the hydrothermal alteration system is increasing in intensity along with both the grade and width of the mineralization.

Additional Information

Additional information relating to the Company can also be found on SEDAR at www.sedar.com.