SERENGETI
RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTH ENDED

MAY 31, 2012

INTRODUCTORY COMMENT

Serengeti Resources Inc. is a junior mineral exploration company listed on the TSX Venture Exchange under the trading symbol "SIR". The Company's exploration strategy emphasizes copper-gold projects in the Quesnel Trough area of British Columbia and gold-silver projects in Mexico. This Management Discussion and Analysis ("MD&A") is dated July 27, 2012 and discloses specified information up to that date. Serengeti is classified as a "venture issuer" for the purposes of National Instrument 51-102. This MD&A should be read in conjunction with the Company's financial statements which are prepared in accordance with International Financial Reporting Standards

Throughout this report we refer from time to time to "Serengeti", "the Company", "we", "us", "our" or "its". All these terms are used in respect of Serengeti Resources Inc. which is the reporting issuer in this document. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.***

OVERALL PERFORMANCE

During the three months ended May 31, 2012 and to the date of writing, Serengeti had three principal areas of focus: advancement of its flagship Kwanika copper-gold project located in British Columbia; development of its large portfolio of exploration properties in the province with funding for this activity coming increasingly from major mining company partnerships; and the identification and acquisition of attractive gold-silver exploration opportunities in the Altiplano region of North-Central Mexico.

Between 2006 and August 2011, the Company completed 72,615 metres of drilling in 179 holes on the Kwanika property. To date, three independent NI 43-101 technical reports, all prepared by Roscoe Postle Associates Inc., have been published for the property. The current resource estimate originally published on March 3, 2011, is summarized in the following table:

2011 Kwanika Mineral Resource Estimate

ZONE	Open Pit Resource Category	Tonnes and Grade							Total Contained Metal			
		Cut-off (US$/t)	Tonnes (Mt)	Copper (%)	Gold (g/t)	Silver (g/t)	Moly (%)	CuEq (%)	Cu (Mlbs)	Au (Moz)	Ag (Moz)	Mo (Mlbs)
Central	Indicated	20.00	91.0	0.38	0.36	1.08	-	0.57	754	1.08	3.2	-
		7.50	243.6	0.23	0.21	0.69	-	0.32	1,233	1.66	5.4	-
	Inferred	20.00	5.1	0.26	0.27	0.65	-	0.40	29	0.04	0.1	-
		7.50	55.2	0.14	0.14	0.42	-	0.20	168	0.25	0.7	-
South	Inferred	20.00	74.3	0.33	0.12	2.15	0.012	0.47	546	0.29	5.2	-
		7.50	239.9	0.20	0.09	1.49	0.007	0.27	1,081	0.66	11.5	37.6

Overall resources are reported within a conceptual pit shell with a 45 degree pit slope angle for rock and 30 degrees for overburden and are based on an insitu cut-off of $7.50/ tonne and a higher grade resource is reported at an insitu cut-off of $20.00/tonne, both adjusted for metallurgical recovery and offsite costs. The dollar value and Copper Equivalent (CuEq) calculations are based on the following metal prices: US $3.50 / lb copper, US $1,200 / oz gold, US $21 / oz silver, US $17 / lb molybdenum with assumed recoveries as follows: Cu 89%, Au 70%, Ag 75%, Mo 60% based partially on preliminary metallurgical test work conducted on a sample from the Central Zone. At the prices used, a US $7.50 insitu cut-off is considered reasonable for a porphyry open pit deposit at this location.

Given the current world-wide economic uncertainty and the Company's effort to conserve funds, we have recently taken the decision to defer completion of the Kwanika Project scoping- level Preliminary Economic

Assessment that was initiated in November 2011. A limited drill program is planned at Kwanika in Q2 to test several excellent targets recently identified as a result of a re-evaluation of our exploration database.

Serengeti currently holds a 100% interest in 14 properties in BC including Kwanika, totalling approximately 73,049 hectares and has a 63.7% joint venture interest in 12 properties totalling approximately 40,810 hectares located in the Quesnel Trough of British Columbia. The Quesnel Trough is host to the Kemess, Mt. Milligan and Mt. Polley porphyry copper-gold deposits. Two joint-venture partnership agreements were active during the period to fund exploration and potential development activity on portions of this portfolio. One of the Company's properties was partially abandoned during the quarter and the prior expenditures related to that portion of property were written off.

Serengeti, through a wholly owned subsidiary in Mexico called Minera F.B. Integral, SA. de CV. ("FB Integral") owns title to 57,471 hectares in six prospective mineral properties located in the states of Chihuahua, Durango and Sonora, northern Mexico and holds option agreements to acquire three small parcels of land within two of these properties. A reverse circulation drilling program was conducted on three of the properties located in Chihuahua in the period March-June, 2012.

RESULTS OF OPERATIONS- MINERAL PROPERTIES

To best understand our financial results, it is important to gain an appreciation for the significant events, transactions and activities on mineral properties which occurred during and subsequent to the reporting period, and these are summarized below.

Exploration Activities

On March 5, 2012, the Company reported the approval of a $1.0 million budget by its partner Freeport-McMoRan of Canada Limited ("FMCL") to explore Serengeti's Tchentlo and Choo projects in 2012. The expenditure will fund a 2,600 metre diamond drill program to be completed in the summer 2012 field season.

On March 20, 2012, the Company announced that it had begun a drill program to test high priority gold-silver targets on three properties located in Southern Chihuahua State, Mexico. A total of 3,000 to 4,000 metres of reverse circulation (RC) drilling were to be completed in approximately 25 holes.

On May 8, 2012, the Company announced results from the first three holes of a recently completed 19 hole reverse circulation (RC) drill program at the Victoria project and on May 24, 2012, the Company announced results from the remaining sixteen holes. The highlight of the program was a near surface, oxide zone grading 1.68 g/t gold 4.8 g/t silver over 7.5 metres in hole V-01 underlain by a broad interval of zinc sulphide-enriched mineralization grading 0.77% zinc, trace gold and 2.6 g/t silver over 67.5 metres. Hole V-02 drilled 100 metres to the west intersected 2.07% zinc, 0.54 g/t gold and 12.7 g/t silver over the bottom 12 metres of the hole and represents a partial downdip test of the intersection in V-01. More work is warranted to further test this mineralized zone.

On June 14, 2012, the Company announced drilling had started on its Tchentlo and Choo properties. The drilling was to consist of up to approximately 2600 meters in 10 to 12 holes testing seven separate porphyry copper-gold targets on the two properties.

On July 25, 2012, the Company reported the completion of a reverse circulation (RC) drill program on three properties in Chihuahua, Mexico, and reports the results from two of these. Results were previously reported from the third property, Victoria, where drilling encountered gold-silver with associated zinc +/- lead mineralization hosted in silicified sediments within a 500 metre long zone open laterally and at depth.

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2012, the Company had current assets of $2,694,796 and current liabilities of $333,961 compared to current assets of $3,365,360 and current liabilities of $153,759 as at February 29, 2012. Working capital is $2,360,835 at May 31, 2012 compared to $3,211,601 at February 29, 2012, excluding METC receivable of $612,093.

Equity at May 31, 2012 was $23,880,773 compared to $24,348,285 as at February 29, 2012.

Management has prepared, and the board has approved, financial budgets for the calendar year ending December 31, 2012. The Company has adequate working capital to meet planned exploration and administrative requirements.

The Company has no material liabilities, other than short term liabilities incurred in the normal monthly activities of exploration and administration. The Company has no long term debt.

RESULTS OF OPERATIONS

	Three month period ended May 31, 2012	Three month period ended May 31, 2011
Expenses		
Consulting	$ 24,229	$ 33,218
Conventions and tradeshows	24,197	11,124
Depreciation	2,096	2,198
Director fees	20,000	19,750
Foreign exchange	11,321	(5,280)
Investor relations	37,914	52,247
Management fees	47,265	36,932
Office and miscellaneous	39,066	42,383
Professional fees	19,401	8,687
Project investigation costs	88,094	70,691
Share-based payments	54,832	141,607
Transfer agent and filing fees	2,784	2,579
Wages and salaries	35,459	30,778
	(406,658)	(446,914)
Other items		
Interest income	14,270	7,081
Exploration and evaluation assets written-down	(129,956)	-
Loss before income taxes	(522,344)	(439,833)
Comprehensive loss for period	**$ (522,344)**	**$ (439,833)**
Loss per share – basic and diluted	**$ (0.01)**	**$ (0.01)**
Weighted average number of common shares outstanding	**51,100,221**	**46,828,342**

Net Loss

The net loss for the quarter ended May 31, 2012 was $522,344 compared to $439,833 for the quarter ended May 31, 2011 representing an increase of $82,511.

Expenses

For the quarter ended May 31, 2012, total expenses were $406,658 compared to $446,914 recorded during the same period in 2011, representing a decrease of $40,256 or 9%. Included in expenses is a non-cash charge of $54,832 (May 31, 2011 - $141,607) for stock-based compensation. After deducting the non-cash adjustment for stock-based compensation expenses, other expenses totalled $351,826 (May 31, 2011 - $305,307) representing an increase of 15%. Material variances are discussed below.

Consulting fees

For the quarter ended May 31, 2012, expenses charged to consulting fees were $24,229 compared to $33,218 for the quarter ended May 31, 2011. These expenses fluctuate depending on services requested. In the 2011 periods, consultants that provide accounting services were engaged in the conversion of the Company's financial reporting to International Financial Reporting Standards. This required additional time and resultant fees paid to the consultants.

Management fees

For the quarter ended May 31, 2012, management fees were $47,265 compared to $36,932 for the quarter ended May 31, 2011. The proportion of management's time allocated to various projects can fluctuate, creating variances in the amounts recorded as general operating costs.

Professional fees

For the quarter ended May 31, 2012, professional fees were $19,401 compared to $8,687 for the quarter ended May 31, 2011. These are fees paid to advisors, as determined to be necessary by management. In the 2012 period, our audit firm assisted in the conversion of the Company's financial reporting to International Financial Reporting Standards. Also, additional advisory services were provided toward certain contractual and tax matters in 2012.

Property investigation costs

For the quarter ended May 31, 2012, property investigation costs expenses were $88,094 compared to $70,691 for the quarter ended May 31, 2011. Included in this category are costs related to evaluating potential projects for the Company. The Company's accounting policy is to expense such costs until the Company has acquired legal title to the property. These expense variances are a result of management's activity in the period toward potential new acquisitions.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

Fiscal quarter ended	Revenues[1]	Net income/(loss) – total	Income/(Loss) from continuing operations – per share[1, 2]	Net comprehensive income/(loss) – total	Net income/(loss) - per share[2]
		$	$	$	$
May 31, 2012	Nil	(522,344)	(0.01)	(522,344)	(0.01)
February 29, 2012	Nil	(391,427)	(0.01)	(391,427)	(0.01)
November 30, 2011	Nil	(507,959)	(0.01)	(507,959)	(0.01)
August 31, 2011	Nil	(426,339)	(0.01)	(426,339)	(0.01)
May 31, 2011	Nil	(439,833)	(0.01)	(439,833)	(0.01)
February 28, 2011	Nil	(339,889)	(0.00)	(339,889)	(0.00)
November 30, 2010	Nil	(435,694)	(0.01)	(435,694)	(0.01)
August 31, 2010	Nil	(324,947)	(0.01)	(324,947)	(0.01)

Note 1: Revenues exclude interest income. Fully diluted per share amounts are not scheduled as they would be anti-dilutive.
Note 2: Income/(loss) per share is rounded to the nearest whole cent

Discussion

The operating results of junior exploration companies are capable of demonstrating wide variations from period to period. Other than the factors leading to certain costs discussed above, management of Serengeti does not believe that meaningful information about the Company's operations can be derived from an analysis of quarterly fluctuations in any more detail than presented here.

TRANSACTIONS WITH RELATED PARTIES

The following amounts due to related parties are included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of payments.

	May 31, 2012	**February 29, 2012**
Company controlled by a director of the Company	$ 2,007	$ -
Directors and officers of the Company	18,834	18,834
	$ 20,841	$ 18,834

These amounts are unsecured, non-interest bearing and have no fixed terms of payments. All were paid by June 30, 2012.

Key management personnel compensation

	Three month period ended May 31,	
	2012	2011
Management fees (1)	$ 52,500	$ 56,250
Consulting	14,300	33,625
Director fees	20,000	19,750
Share-based payments	33,764	62,048
	$ 120,564	$ 171,673

(1) Certain of management fees are allocated to exploration and evaluation assets.

Off Balance Sheet Arrangements

The Company has no material off-balance sheet arrangements.

Proposed transactions

The Company is continuously evaluating new opportunities and while various negotiations may be ongoing at any given time, these may or may not be successful. The Company considers opportunities where there is expected to be exceptional value to the shareholders.

Accounting Standards Anticipated To Be Effective March 1, 2013

Financial instruments

The IASB intends to replace IAS 39 *Financial Instruments: Recognition and Measurement (*"IAS 39") in its entirety with IFRS 9 *Financial Instruments (*"IFRS 9") in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex that IAS 39, and is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted**.** In November 2009 and October 2010, phase I of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. The IASB has issued exposure drafts addressing impairment of financial instruments, hedge accounting and the offsetting of financial assets and liabilities, with comments that were due in March and April of 2011. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Consolidation

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation- Special Purpose Entities* and is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Joint Arrangements

IFRS 11 *Joint Arrangements* establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Disclosure of Involvement with Other Entities

IFRS 12 *Disclosure of Involvement with other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Fair Value Measurement

IFRS 13 *Fair Value Measurement* defines fair value and sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 *Share-based Payment*; leasing transactions within the scope of IAS 17 *Leases*; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets.* This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, reclamation bonds and accounts payable and accrued liabilities. The fair value of these financial instruments other than cash and cash equivalents approximates their carrying values due to the short term nature of these investments. Cash and cash equivalents are measured at fair value using Level 1 inputs.

The Company's credit risk is primarily attributable to financial assets including cash and cash equivalents, receivables, mineral exploration tax credit recoverable and reclamation bonds. The Company's total exposure to credit risk is $3,357,697. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality Canadian financial institutions. Receivables from government usually bear minimal risk.

Substantially all of the Company's assets and operations are in Canada. The Company's functional currency is in the Canadian dollar.

RISKS RELATED TO THE COMPANY'S BUSINESS

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in the exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial.

The following sets out the principal risks to face by the Company.

Exploration risk. The Company is seeking mineral deposits, on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons, or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek copper and gold in Canada and gold and silver in Mexico. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Aboriginal accommodation risks. Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as potential development projects. Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings regarding employment and other matters in impact and benefit agreements. This may affect our ability to assure within a reasonable time frame effective mineral titles in these jurisdictions, including in some parts of Canada in which aboriginal title is claimed, and may affect the timetable and costs of exploration and, if warranted, development of mineral properties in these jurisdictions. The risk of unforeseen aboriginal title claims also could affect existing exploration activities as well as potential development projects and possible future acquisitions. These legal requirements may affect our ability to expand or transfer existing projects or acquire possible new projects.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price on the TSX Venture Exchange of the Company's common stock fluctuated from a high of $0.41 to a low of $0.09 in the period beginning March 1, 2009 and ending on the date of this Management Discussion and Analysis. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including David Moore. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Foreign Countries and Regulatory Requirements. Currently, a portion of the Company's properties are located in Mexico. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, political instability and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. Recently northern Mexico has reported several incidents of security risks affecting individual and property to its Mexican Subsidiary. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

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 or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of May 31, 2012 was $21,900,824. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

OTHER MD&A DISCLOSURE REQUIREMENTS

Information available on SEDAR

As specified by National Instrument 51-102, Serengeti advisers readers of this MD&A that important additional information about the Company is available on the SEDAR website http://www.sedar.com/

Disclosure by venture issuer without significant revenue

An analysis of the material components of the Company’s general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the exploration and evaluation assets of the Company's mineral properties is disclosed in Note 7 to the financial statements.

Outstanding Share Data

Common shares, stock options and share purchase warrants issued and outstanding as at the three month period end are described in detail in Note 10 to the financial statements dated May 31, 2012, which as of July 27, 2012 are as follows:

	Number of shares	$	Number of options	Exercise price	Expiry date
Issued and outstanding:	51,100,221	38,564,432	515,000	$1.31	Aug 30, 2012
			770,000	$0.63	Mar 17, 2013
			60,000	$0.40	Oct 15, 2013
			820,000	$0.25	Mar 25, 2014
			975,000	$0.30	Feb 12, 2015
			100,000	$0.24	Sept 2, 2015
			1,175,000	$0.33	Feb 9, 2016
			500,000	$0.40	Mar 4, 2013
			30,000	$0.26	Sept 21, 2016
			1,300,000	$0.20	Jan 19, 2017
			75,000	$0.12	May 24, 2017
			6,320,000	$0.41	

Number of warrants	Exercise price	Expiry date
2,106,999	$0.42	Dec 27,2012

Vancouver, British Columbia — July 27, 2012

Cautionary Statement

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.