

EXCEL GOLD MINING INC.

MANAGEMENT DISCUSSION AND ANALYSIS

(For the fiscal year ended April 30, 2010)

The purpose of this Management Discussion and Analysis (MD&A) is to allow the reader to better understand and evaluate the trends and material changes related to the results and financial position of Excel Gold Mining (“Excel”) for the fiscal year ended April 30, 2010. It underlines management’s view of the Company’s current activities as well as its current and past financial results, as well as an overview of the activities planned for the upcoming months. This MD&A should be read in conjunction with Excel’s audited financial statements and the notes thereto.

1. NATURE OF THE COMPANY

Excel Gold Mining was incorporated under the Canadian Business Corporation Act on February 12, 1990.

The Company is primarily engaged in the exploration of mining properties in Canada, mostly in Province of Quebec.

2. FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. These statements are reasonable but involve a number of risks and uncertainties, and there can be no assurance that they will prove to be accurate. Therefore, actual outcome and results may differ materially from those expressed in or implied by these forward-looking statements.

Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the Company’s ability to obtain the financing required to pursue exploration plans, the development of its properties and profitable future production or the recover proceeds from the sale of the properties it owns.

The Company must periodically obtain additional funds to pursue its activities, and its ability to do so in the past is no guarantee of its success in doing so in the future.

3. MINING PROPERTIES AND RELATED COMPANIES

The Montauban Mining Camp

“Batiscan 1”

In July 2008, Excel Gold Mining initiated its acquisition program in the Montauban Mining Camp, by acquiring 100% interest of the ***“Batiscan I”*** properties, consisting of 117 mining claims, surfacing 5168 hectares located in the Montauban region, Portneuf County, province of Quebec.

“Batiscan II”

In June 2009, the Company continued to increase its property asset base in Montauban and acquired another 140 claims, strategically positioned in the mining camp, representing a surface of 6,435 hectares, and named for marketing purposes, ***“Batiscan II”***.

(Excel purchased the 140 territory rights, in returned considerations of 5,750,000 units (the “Units”). Each Unit comprising one fully-paid and non-assessable common share in the share capital of the Company issued to 9157-0945 valued at \$0.08 (the “Shares”) and one half (1/2) share purchase warrant, each full warrant allowing its holder to purchase one Share at a price of \$0.12 per Share for a period of twenty-four (24) months following the closing of the acquisition).

“The Montauban Mine”

In July 2009, the company acquired the Montauban Mining concession consisting of a mining lease joined to a mining concession covering an approximate area of 76.84 hectares. The mine is located 3 kilometers south of the town of Notre-Dame-de-Montauban.

(The Company has purchased these territories for returned consideration of \$150,000 paid in hard cash, and a Net Smelter Return (NSR) of 1%. This net smelter percentage is redeemable at any time for a payment of \$500,000).

“Castellane”

In December 2009, Excel has consolidated its positioning in the Montauban Mining Camp, by purchasing the ***“Castellane”*** property, consisting of 100% ownership of the mining rights, composed of 40 mining titles covering 1,378.81 hectares. The properties are located close by Excel’s other territories in the Montauban, Chavigny and Seigneurie de Grondines-Ouest Counties, and 120 km west of Quebec City and 50 km north east of City of Trois-Rivieres, Quebec.

(The purchase price for the acquisition of all rights and titles in and on the Properties is composed of 6,750,000 common shares fully-paid and non-assessable in the Company’s capital stock at a price of \$0.08 per share).

The Montauban Mining Camp is located in the Montauban and Chavigny Townships near Grondines-West, in the Portneuf County, situated 120 kilometers west of Quebec City and 50 kilometers north of Trois-Rivières, Québec.

Evezza Property

In February 2009, the Company acquired a 100% interest in 113 mining claims located in the Comporte, Razilly and Vezza townships in return of the issuance of 5,850,000 units at a price of \$0.035 per unit, each unit comprising one (1) common share and half a warrant. Each full warrant can be converted into one common share at a price of \$0.12 for a period of 24 months.

4. OVERVIEW

Since the beginning of the Montauban Mining Camp acquisition program, Excel has accumulated over 300 mining territories surfacing an approximate area of 13,050 Hectares surrounding the Montauban Mine and the adjacent mining concessions. This management decision to focus on acquisition of mining territories mostly in the Montauban Camp, has been based on the work of many individuals that have conducted many researches, and analyzed an impressive amount of geological mining data of over a Century of mining exploration and production.

Excel has assured itself, a very large portion of the available mining properties in the camp, a summit never achieved by any other mining companies, in the immediate surroundings of the mine. Following the acquisition of the Mining concession, management had recuperated from the seller an impressive amount of mining data which combined with GESTIM documentation and many other never published information, had lead Excel team to hire professional expertise and proceed to a new exploration campaign on specific targets in the camp.

(In August 2009, the Company completed a private placement of \$800,000, with MineraldFields Company. The offering consisted in 10,000,000 flow-through shares at a price of \$0.08, each share accompanied by a warrant, giving the right to its holder to purchase one common share at a price of \$0.135 for a period of 18 months following the closing of the private placement.)

In September 2009, Excel had mandated MRB & Associates Geologists, and Magma Drilling to proceed to an exploration program on the Montauban property. The fall 2009 Montauban drilling program was designed to evaluate the surface pillar portion of the Montauban deposit. In total, 61 shallow drill holes were systematically drilled to an average depth of 30 meters.

Following a successful 2009 drill program that intersected significant near-surface gold, silver, copper and zinc mineralization (the average depth of each hole was only 30 meters) at the former Montauban Mine, Excel has now implemented an aggressive strategy aimed at efficiently and rapidly developing this entire project and unlocking its value.

In advance of a larger Phase 2 drill program to be perform this fall 2010, Excel has contracted a geological consultant to immediately compile, through inventory, purchase and acquisition, all current and historical information related to Montauban into one database which will then be used to produce a 3D Gemcom overview of the former mine's extensive underground structures.

This will aid the Company immensely in its upcoming drill program designed to test un-mined and unexplored areas of the deposit in order to confirm, through a NI-43-101 report, the historical resource that has been left in the surface pillars and at deeper levels from previous mining operations.

The Company believes that Montauban, which is surrounded by excellent infrastructure including a nearby railway, holds considerable exploration upside as demonstrated by last year's drill program. In addition, the bulk of drilling historically on this property has only been to a depth of 200 meters with very limited drilling below that depth (approximately 900 holes have been drilled).

Montauban is a gold-silver-zinc-copper-lead deposit hosted in quartz-biotite gneiss of the Grenville Supergroup. The deposit appears stratiform with a massive sulphide core which was exploited for lead and zinc. The gold and silver mineralization, though present in the base metals, is found in its largest concentration in the peripheral disseminated sulphide zones that have not been fully explored. Gold-bearing pyrite seems generally distributed in a homogeneous way in the gneisses.

With an under-explored land package (Batiscan I, Batiscan II and Castellane) consisting of 130 square kilometers surrounding the 77-hectare former Montauban Mine, Excel also believes it is uniquely and strategically positioned for a potential discovery of an extension of the mineralized system at Montauban that may have been overlooked by previous operators. The Company will be vigorously pursuing this possibility as it expands the scope of the Montauban Mining Camp Project.

Here are some of the best Gold and Silver assay results of the 2009 Drilling Campaign;

MONTAUBAN 2009 DRILLING RESULTS					
DDH	From	To	Interval	Au	Ag
N°	(m)	(m)	(m)	(g/t)	(g/t)
EM-09-01	13.00	17.30	4.30	4.82	19.03
EM-09-15	0.50	5.00	4.50	2.15	15.11
EM-09-17	1.50	5.00	3.50	3.43	17.34
EM-09-21	1.50	4.50	3.00	8.96	18.94
EM-09-23	1.50	10.00	8.50	2.54	19.69
EM-09-26	1.00	6.00	5.00	1.41	10.62
EM-09-27	1.50	10.00	8.50	7.34	17.02
EM-09-28	3.00	5.58	2.58	14.32	25.84
EM-09-29	3.15	9.00	5.85	2.92	11.69
EM-09-35	7.40	12.50	5.10	6.77	24.29
EM-09-38	5.50	13.50	8.00	3.13	13.70
including	12.50	13.50	1.00	10.90	46.70
EM-09-40	10.50	19.50	9.00	4.10	16.49
including	18.50	19.50	1.00	20.80	33.70
EM-09-41	12,50	19,50	7,00	2,07	6,43

EM-09-45	8,00	10,00	2,00	7,16	0,90
EM-09-47	3,50	5,50	2,00	3,24	6,85
EM-09-56	15,00	22,00	7,00	4,49	12,37
EM-09-58	17,00	25,00	8,00	3,78	28,26
including	17,00	18,00	1,00	11,75	65,30

Here are some of the best base metal results of the 2009 Montauban Drilling Campaign;

Base Metal					
DDH N°	From	To	Interval	Zinc	Copper
	(m)	(m)	(m)	%	%
EM-09-08	18.75	20.00	1.25	7.66	---
EM-09-15	3.00	10.50	7.50	4.22	---
EM-09-17	3.00	8.00	5.00	2.82	---
	3.00	5.00	2.00	---	1.3
EN-09-25	3.00	7.40	4.40	---	0.9
EM-09-35	8.50	10.62	2.12	3.1	1.4
EM-09-38	10.50	13.50	3.00	3.80	2.16
EM-09-40	15.50	18.50	3.00	---	2.56
EM-09-41	17.50	18.50	1.00	2.00	---
EM-09-45	19,00	22,00	3,00	3,46	---

5. FINANCIAL INFORMATION

The financial statement had been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and all monetary values presented in this MD&A are expressed in Canadian dollars.

a) SELECTED ANNUAL INFORMATION

Year Ended April 30	2010 \$	2009 \$	2008 \$
Total assets	3,168,100	1,350,105	226,002
Total liabilities	895,693	1,318,715	1,954,736
Income	-	-	-
Net loss	154,189	415,763	1,321,309
Net loss per share, basic and diluted	0.002	0.007	0.031

b) QUARTERLY FINANCIAL INFORMATION (unaudited)

	April 30, 2010 \$	January 31, 2009 \$	October 31, 2009 \$	July 31, 2009 \$	April 30, 2009 \$	January 31, 2009 \$	October 31, 2008 \$	July 31, 2008 \$	April 30, 2008 \$
Total assets	3,168,100	3,167,637	2,487,218	1,130,669	1,350,105	550,257	541,059	348,707	226,002
Total liabilities	895,693	587,523	608,372	1 133 208	1,318,715	2,011,815	1,914,587	1, 927,022	1, 954,736
Income	-	-	-	-	-	-	-	-	-
Net loss	718,663	22,533	(621,386)	33,929	134,676	88,033	95,963	97,081	1,039,627
Net loss per share, basic and diluted	0.01	0.0002	(0.0077)	0.001	0.0043	0.0066	0.0066	0.002	0.024

c) BALANCE SHEET

On April 30, 2010, total assets were totaling \$3,168,100 compared to \$1,350,105 on April 30, 2009.

The Company's working capital is negative at \$657,510 for the period ended April 30, 2010 compared to negative \$944,860 on April 30, 2009.

Current liabilities decreased from \$1,318,715 on April 30, 2009 to \$959,076 on April 30, 2010.

d) OFF BALANCE SHEET ARRANGEMENTS

The Company has not concluded any off balance sheet arrangement during the year

e) RESULTS

Due to the type of its activities, the Company does not generate any regular income and must continually issue shares to finance its exploration program and day to day operations.

The Company incurred a net loss of \$154,189 for the fiscal year ended April 30, 2010 compared to a net loss of \$415,763 for the fiscal year ended April 30, 2009.

f) CASH FLOW STATEMENT

The total cash flows for 2010 were negative with \$263,959 compared to \$254,013 in 2009.

g) SOURCES OF FINANCING

In order to finance its exploration activities, the Company can use two types of financing. The first one is the issuance of shares, flow-through or regular. The second one is by entering into a joint-venture with possible partners who will acquire part of the interest in the project in exchange of exploration works to be done by them at their expenses.

During the fiscal year, the Company completed 3 private placements;

- In August 2009, the Company announced the closing of a private placement of \$800,000. The offering consisted in 10,000,000 flow-through shares at a price of \$0.08, each share accompanied by a warrant, giving the right to its holder to purchase one common share at a price of \$0.135 for a period of 18 months following the closing of the private placement.
- On December 2009 the company announced the closing of a non-brokered flow-through private placement of 1,911,428 units for a total amount of \$133,800 (the "Private Placement"). Each unit is comprised of one (1) flow-through common shares of the Issuer at a price of \$0.07 per share and (1) non flow-through common share purchase warrants (each a "Warrant"). Each Warrant shall entitle its holder to subscribe at any time within 18 months from the date of issuance of the Warrant, one additional common share of the Issuer at an exercise price of \$0.10 per common share.
- In February 2010 the company announced the closing of a non-brokered private placement of units (the "Units") for total proceeds of \$258,000 (the "Private Placement"). At April 30, 2010, \$160,000 were accounted as receivables. A Each Unit is sold at a price of \$3,000 per Unit and is comprised of (i) 16,667 flow-through common shares at a price of \$0.06 per share; (ii) 33,333 common shares at a price of \$0.06 per share; and

(iii) 33,333 common share purchase warrants (each a "Warrant"). Each Warrant shall entitle its holder to subscribe at any time within 24 months from the date of issuance of the Warrant, one additional common share of Excel at an exercise price of \$0.10 per common share.

- In December 2009, The company announced the settlement of a liability of \$180,000 to be settled for an amount of 1,000,000 common shares at a price of \$0.05 per share, representing a total settlement amount of \$50,000.

h) CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Notes Payable

The Company has a note payable, bearing interest at 15% per year, guaranteed by a personal caution made by the former Company president (500,000 shares of his own). That note payable has expired since December 2006.

i) RELATED PARTY TRANSACTIONS

Related party transactions are conducted in the normal course of the Company activities and are measured by their exchange value, being the amount of consideration agreed between the parties of the agreements.

a. Transactions conducted in the normal course of the Company activities

	Year	Administrative Charges \$	Owed \$
Companies controlled by the Company directors	2009	-	10,000
	2010	-	-
Directors	2009	71,437	-
	2010	-	-

b. Transactions conducted outside the normal course of the Company activities

During the year, the Company did not conduct any transaction outside the normal course of the Company activities.

j) FINANCIAL INSTRUMENTS

Fair Market Value

The fair value of short term financial instruments is assumed to be equal to book value according to their next maturity and the normal market conditions that they entail.

Management of Financial Risk

The company is exposed to various financial risks arising from both its operations and its investment activities. The financial risk management is performed by the management of the Company.

The Company does not enter into contracts to hedge the risks related to financial instruments including financial derivatives.

Financial Risks

The main financial risks to which the Company is exposed and policies for managing those risks are detailed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to perform its obligation, thus leading the other party to incur a financial loss.

The Company determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

Exchange Rate Risk

The Company is not exposed to currency exchange risk.

The Company does not enter into contracts to hedge the currency risk to which it is exposed.

Interest Rate Risk

The note payable bears interest at a fixed rate. Accordingly, the Company is exposed to interest rate risk limited.

The other Company's assets and liabilities are not subject to the interest rate risk since they do not bear interest.

The Company does not use financial derivatives to reduce its exposure to interest rate risk.

Liquidity Risk

The liquidity risk management aims to maintain a sufficient amount of cash and cash equivalents and to ensure that the Company is able to have a proper financing in the form of private placement. The Company establishes budget and cash forecast to ensure it has the funds to meet its obligations. Obtaining new financing allows the Company to continue its activities and, despite the fact that it succeeded in the past; there is no guarantee of success for the future.

k) Risk and Uncertainties

Risk Pertaining to Exploration

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current possible or future environmental legislation, regulations and measures may entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. The requirements of the environmental regulations and standards are constantly re-evaluated and may be considerably increased, which could seriously hamper the Company or its ability to develop its properties economically. Before a property can enter into production, the Company must obtain regulatory and environmental approvals. There can be no assurance that such approvals will be obtained, nor that they will be obtained in a timely manner. The cost related to assessing changes in government regulations may reduce the profitability of the operation or altogether prevent a property from being developed. The Company considers itself to be in material compliance with the existing environmental legislation.

Commodities Prices

The market for gold, diamonds, base metals or any other mineral discovered can be affected by factors beyond the Company's control. Resource prices have always fluctuated widely, particularly in recent years. The impact of these factors cannot be accurately predicted.

Insurance

The Company could become liable for subsidence, pollution and other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or for some other reason. Payment of such liabilities could decrease or even eliminate the funds available for exploration or mining activities.

l) ADDITIONNAL INFORMATION

The Company provides information on deferred exploration expenses in Note 5 of its financial statements for the period ended April 30, 2010 (Accounting Policies – Properties and deferred exploration expenses).

During the beginning of the year 2010, the company had received formal payment request of approximately \$180,000 from “Revenue Canada” regarding the tax re-assessment of 2005-2006. The Company has been penalized following previous management in place in 2005-2006 had not utilized the flow through share proceeds for exploration purposes.

During the same period, the Company has been informed that 3 specific group of investors have been re-assessed for the same period of 2005-2006. Excel management has been negotiating with respective parties in order to facilitate a share debt settlement. Management has received mostly all individual requests and will be filing for regulatory authorities approval shortly.

We are dedicated and committed to bring value to our shareholders' investments and we promise to proceed rapidly to the agreed issuance of stocks and warrants in compensation of the reassessment costs incurred.

The Company did not have any expenses on research and development. There are no deferred charges other than mining properties and deferred exploration expenses.

m) INFORMATION ON OUTSTANDING SHARES

As of April 30, 2010, there were 97,070,120 issued shares compared to 65,858,692 for the year ended April 30, 2009. This number of shares represents a total value of \$20,360,680 compared to \$18,041,418 for the year ended April 30, 2009.

The authorized capital of the Company consists of an unlimited number of common shares without par value.

As of August 30, 2010 date of the redaction of this MD&A, 113,013,865 shares were issued and outstanding.

On November 2, 2009, shareholders of the Company approved the stock option plan (the “Plan”) for the grant of stock option to the directors, officers, employees and suppliers in order for them to acquire shares at a pre-defined price. The conditions and exercise price of each stock option shall be determined by the Board of Directors and may be lower than the market value on the grant date.

The Plan required that the maximum number of shares in the capital of the Company which might be reserved for grant under the Plan shall be equal or less that 10% of the number of shares issued and outstanding at the moment of the grant. The Plan also stipulates that the grant of stock option to a single owner cannot exceed 5% of the shares issued and outstanding. Furthermore, at the date of the grant, the stock options issued to an Investors Relations consultant cannot exceed 2% of the total shares issued and outstanding and stock cannot be

acquired at more than 25% per quarter. All stock options will expire within a maximum of five years after being granted.

On April 30, 2010, Stock Options were detailed as follow:

<u>Quantity</u>	<u>Price</u>	<u>Expiration Date</u>
75,000	0.07	April 2013

On April 30, 2010, Warrants were detailed as follow:

<u>Quantity</u>	<u>Price</u>	<u>Expiration Date</u>
3,125,000	0.12	May 2010
2,600,000	0.22	June 2010
2,925,000	0.12	February 2011
10,500,000	0.14	February 2011
2,875,000	0.12	June 2011
1,350,000	0.15	January 2012
2,866,638	0.10	February 2012
1,911,428	0.10	June 2012

n) SUBSEQUENT EVENTS

- On June 8, 2010 of a non-brokered private placement of \$230,000, consisting of 4,600,000 common shares at a price of \$0.05 per share, each share including a warrant at a price of \$0.10 for a period of twenty-four (24) months. The proceeds will be used towards the working capital of Excel and its exploration programs in Quebec. In addition, the company Allyson Taylor Partners Inc. shall receive a commission of 10 % of the amount of the private placement and 460,000 warrants, entitling its holder to subscribe for one common share of Excel at a price of \$0.10 for a period of twenty-four (24) months from the closing.
- On June 24, 2010 the Company announced that it has granted incentive stock options to consultants to purchase an aggregate of 6,650,000 common shares in the capital of the Company, exercisable at a price of \$0.11 per share for a period of five years, subject to regulatory approval. The options are subject to a four month hold period and are granted in accordance with the terms of the Company's Stock Option Plan and the policies of the TSX Venture Exchange.
- On July 23, 2010 the company completed a non-brokered private placement of \$1,050,000, consisting of 10,500,000 common shares at a price of \$0.10 per share and of 10,500,000 one-half (1/2) of one (1) warrant, each whole warrant entitling its holder to purchase one (1) common share of Excel at a price of \$0.15 for a period of twenty-four (24) months. The proceeds will be used towards the working capital of Excel and its exploration programs in the Montauban mining camp, in Province of Quebec.

In connection with the placement, Excel paid a commission to Allyson Taylor Partners Inc., RWS Capital Services Inc. and to Caldwell Securities Ltd. totalling 10% of the gross proceeds of the financing and issued, as additional consideration, a total of 1,050,000 non-transferable warrants, entitling its holder to subscribe for one common share of Excel at a price of \$0.10 for a period of twenty-four (24) months from the closing.

- At the end of July 2010, the Company received 3 warrants exercise requests as follow:
 - 333,330 shares @ \$0.10
 - 250,000 shares @ \$0.10
 - 166,665 shares @ \$0.12

- On August 23, 2010, the Company was notified of a warrant exercise through a: **EARLY WARNING REPORT AND PRESS RELEASE FILED PURSUANT TO NATIONAL INSTRUMENT 62-103**
Joe Dwek Management Consultants Inc. ("JDM")JDM has indirect control and direction over 2,626,000 common shares of Excel (the "Shares"), 500,000 options to purchase units (the "Units") comprised of one share and one warrant, and 10,500,000 warrants to purchase shares (the "Warrants") representing approximately 12.61 % of the outstanding Shares on a partially diluted basis.
Total of proceeds 78 332.80\$.

6. Changes to accounting policies

On May 1st, 2009, in accordance with the applicable transitional provisions, the Company applied the following new recommendations of the Canadian Institute of Chartered Accountants:

Goodwill and Intangible Assets

The Accounting Standards Board ("AcSB") issued Section 3064, Goodwill and Intangible Assets, which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. On May 1, 2009 the Company adopted these changes, with no impact on its consolidated financial statements.

Future Accounting Policies

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601. Consolidated Financial Statements, and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after

January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 158 Business Combinations, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, Consolidated and Separate Financial Statements, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

7. Future changes in significant accounting policies

In February 2008, the Canadian Accounting Standards Board confirmed that publicly listed companies will be required to adopt International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report under these new standards in its first quarter of 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements. The Company commenced its IFRS conversion project in the year 2009. The project consists of four phases: diagnosis, design and planning, solution development and implementation. The plan addresses the impact of IFRS on Accounting policies and implementation decisions, infrastructure, business activities and control activities. As at April 30, 2010, the Company was finalizing the first phase of its IFRS conversion, consisting of a study of the existing financial information, and identifying the main areas where IFRS will have an impact.

8. Information Disclosure Controls and Procedures

Company management, including the president and chief financial officer, participated in an assessment of the effectiveness of information disclosure controls and procedures for the fiscal year ended April 30, 2010. Based on this assessment, the president and chief financial officer have concluded that such controls and procedures were effective and reliable at the end of the financial year ended April 30, 2010, and were applied in such a way as to provide reasonable assurance that material information on the Company was adequately disclosed.

The management can confirm that there has been no change concerning the internal control over financial reporting during the exercise ended on April 30, 2010 that is reasonably likely to materially affect on the internal control over financial reporting.

9. ADDITIONAL INFORMATION AND DISCLOSURE

This annual report has been prepared as of August 30, 2010. The Company regularly discloses additional information by issuing press releases and quarterly financial statement on SEDAR (www.sedar.com)

CERTIFICATION

This annual report is approved by the board of directors.

(s) Jacques Vallee

Jacques Vallee

August 30, 2010