300 - 555 West Georgia Street, Vancouver, BC, Canada V6B 1Z6
T (604)681-3170, F (604)681-3552, info@rtmcorp.com
www.rtmcorp.com

RT MINERALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2011

This report provides a discussion and analysis of the financial condition and results of operations ("Management's Discussion and Analysis") to enable a reader to assess material changes in financial condition between November 30, 2011 and November 30, 2010 and results of operations for the years ended November 30, 2011 and November 30, 2010, as well as forward-looking statements relating to the potential future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below. This Management's Discussion and Analysis has been prepared as of **March 22, 2012** ("Report Date".) This Management's Discussion and Analysis is intended to supplement and complement the audited financial statements and notes thereto for the year ended November 30, 2011 (collectively the "Financial Statements"). You are encouraged to review the Financial Statements in conjunction with your review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein.

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

1. CORE BUSINESS

RT Minerals Corp. (the "Company") is a junior resource company engaged in the acquisition and exploration of mineral properties in Canada for hosting gold and base metal deposits, and holds interests in a number of mineral resource properties, either directly or through option agreements, in the Rouyn Noranda area in the Province of Quebec and near Timmins, Ontario. As at the date hereof, the Company holds the following mineral resource properties:

- **Bazooka Gold Property** – gold property located near Rouyn Noranda, Quebec in which the Company owns a 100% interest;
- **McWatters Gold Property** – gold property located near Rouyn Noranda, Quebec in which the Company owns a 100% interest; and
- **Meunier-144 Joint Venture Gold Property** – gold property located in Timmins, Ontario in which the Company owns a 12.5% interest and has an option to acquire a further 12.5% interest. The Company and Lake Shore Gold Corp. have formed a 50/50 joint venture and share the Company's obligations under the Meunier JV with Adventure Gold Inc.

The Company was incorporated on March 9, 2007 under the Business Corporations Act of British Columbia and is currently a reporting issuer in British Columbia, Alberta and Ontario. On August 22, 2008, the Company completed its initial public offering of units. The Company's common shares were approved for listing on the Canadian National Stock Exchange ("CNSX") and commenced trading on

August 26, 2008 under the symbol "RTMC", later changed to "RTM". The Company's common shares were approved for listing on the TSX Venture Exchange ("TSXV") and commenced trading on August 5, 2011 under the symbol "RTM". The Company voluntarily delisted from the CNSX effective the close of market on September 26, 2011, and continues to trade on the TSXV.

Lake Shore Gold Corp. (TSX:LSG) ("Lake Shore Gold") is a major shareholder of the Company, currently owning 19,000,000 Common Shares of the Company (27.2%) and 750,000 share purchase warrants, for a potential 28.0% ownership, assuming exercise of the warrants held by Lake Shore Gold and not including any other options or warrants of the Company that are outstanding, or 24.1% on a fully diluted basis.

2. HIGHLIGHTS

2.1 Financial Highlights

- On December 30, 2010, the Company completed its acquisition of the Bazooka and McWatters gold properties in Quebec from Lake Shore Gold and closed three separate non-brokered unit private placements for total gross proceeds to the Company of $4,006,370.
- Pursuant to the transaction with Lake Shore Gold, which was approved by the shareholders of the Company at a meeting held on December 30, 2010, the Company has issued to Lake Shore Gold 10,000,000 common shares, and transferred its interest in the Golden Property near Timmins, Ontario and up to 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold in consideration for the transfer to the Company by Lake Shore Gold of a 100% interest in the advanced stage Bazooka gold property in Quebec and the McWatters gold property in Quebec, as well as a $500,000 cash payment to the Company by Lake Shore Gold upon the Company's exercise of the First Option to earn an initial 25% interest on the Meunier JV property adjacent to Lake Shore Gold's Timmins Mine property, Ontario.
- The Company completed the initial $1,500,000 in exploration expenditures on the Meunier JV property as at May 31, 2011 and has exercised the First Option to earn a 25% interest in the property. The Company has assigned 50% of this interest (12.5%) to Lake Shore Gold upon completion of a $500,000 cash payment to the Company. The Company has provided notice to Adventure Gold that it elects to exercise the Second Option to acquire an additional 25% (12.5% to be assigned to Lake Shore Gold) undivided interest in the property.
- In connection with the transfer of 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold, the Company and Lake Shore Gold have formed a 50/50 joint venture and will share the Company's obligations under the Meunier JV with Adventure Gold Inc. The terms of the Company/Lake Shore Gold joint venture will provide that, in the event that a party does not contribute its pro-rata share of expenditures on the Meunier JV property and a party's interest in the Meunier JV property falls below 10%, then such party will transfer its remaining interest to the non-diluting party being either Lake Shore Gold or the Company.
- The Company and Lake Shore Gold have completed over $3,000,000 in exploration expenditures on the Meunier JV property to date. Upon final review and acceptance of the expenditures by Adventure Gold and the issuance of 250,000 common shares of the Company to AGE, the Company will have acquired an additional 25% (12.5% to be assigned to Lake Shore Gold) undivided interest in the property. After the transfer of ownership, the Meunier JV property ownership and joint venture partnership will consist of AGE (50%), LSG (25% - Operator) and RTM (25%).

- Subsequent to year end, the Joint Venture made the decision to discontinue its current drilling program on the Meunier JV property due to technical difficulties encountered at depth; lack of significant gold mineralization; and budget analysis outlining drilling costs that in the opinion of the Joint Venture participants are too high to warrant further drilling at this time. Accordingly, $1,756,304 in acquisition costs and exploration expenditures relating to the property was written off at November 30, 2011.
- On closing of the Private Placements, the Company issued a total of 4,607,000 units at $0.16 per unit (the "$0.16 Units"), a further 9,390,000 flow-through units at $0.20 per unit (the "$0.20 Units") and 4,968,750 structured flow-through units at $0.28 per unit (the "$0.28 Units"). Each $0.16 Unit was comprised of one common share and one half of a warrant, with each whole warrant (a "Warrant") entitling the holder to acquire a further common share of the Company at a price of $0.20 for a term of two years, expiring December 30, 2012. The $0.20 Units and the $0.28 Units were each comprised of one flow-through share and one half of a Warrant, with each whole warrant (a "Warrant") entitling the holder to acquire a further common share of the Company at a price of $0.20 for a term of 2 years, expiring December 30, 2012. Insiders subscribed for 200,000 of the $0.20 Units and for 1,500,000 of the $0.16 Units. Proceeds from the Private Placements are to be used to fund the Company's exploration activities over the next 12 months and for general working capital.
- The Company paid finders' fees totalling $187,762 and issued 854,445 finders' warrants in connection with the Private Placements. Each finders' warrant entitles the holder to acquire one common share of the Company at a price of $0.20 for a term of two years expiring December 30, 2012.
- In March 2011, the Company exercised warrants to purchase 500,000 common shares of Adventure Gold Inc. (TSX.V:AGE) at $0.20 per share. Subsequent to year end, in March 2012, the Company exercised warrants to purchase 500,000 common shares of AGE at $0.27 per share. The Company subsequently sold 900,000 shares in AGE.
- During the year ended November 30, 2011, the Company raised gross proceeds of $75,000 from the exercise of 375,000 share purchase warrants.
- During the year ended November 30, 2011, the Company recorded $2,763,791 in exploration expenditures on its mineral properties.
- The Company concluded the period with total net assets of $3,119,515.
- Because the Company is in the exploration stage, it did not earn any significant revenue and its expenses relate to the costs of operating a public company of its size. Net loss for the year ended November 30, 2011 was $1,696,818 or $0.03 per share, compared to net loss of $911,044 for the year ended November 30, 2010 or $0.03 per share. Net loss for the three months ended November 30, 2011 was $1,906,572 or $0.03 per share, compared to net income of $133,583 for the three months ended November 30, 2010 or $0.00 per share. The net loss recorded for the fiscal year under review includes $1,756,304 in acquisition costs and exploration expenditures relating to the Meunier JV property that were written off at November 30, 2011.

2.2 Operational Highlights

- On March 2, 2012, the Company announced the conclusion of the Deep Hole at the Meunier JV Property in the West Timmins gold region, Ontario. Drilling of the hole was discontinued at a 3,444m core length due to technical difficulties encountered at this depth in the hole.

- Further to the Company's press release dated November 10, 2011 concerning the Meunier JV property (see "*6.3 – Meunier-144 JV Property*" below), the Company was advised by the Operator that no other significant gold mineralization was encountered in the Deep Hole on the Meunier JV property (representing approximately the last 462 metres of the full 3,444 metre core length). Despite the above, the hole intersected a thick section of pyroxenite and several zones of alteration and deformation, including a broad zone containing local quartz veining, elevated pyrite and tourmaline between 3,023 and 3,052 meters (2,475 meters vertically below surface) with similarities to mineralization found within the Timmins West Mine Fold Nose Structure. The potential to extend or encounter other similar zones which could have higher grades in areas above, below and on strike of the above zone and on the Meunier JV or adjacent Lake Shore Gold property are considered excellent.
- In addition, budget analysis has outlined drilling costs that in the opinion of the Joint Venture participants are too high to warrant further drilling. Therefore no further drilling in the parent hole or by wedge cuts from the parent hole are planned at this time on the JV property. The Deep Hole will be preserved so that future drilling or wedge cuts may be considered at a later date.
- In March 2011, the Company commenced the first phase of a diamond drill program on its 100% owned Bazooka Gold Property, Quebec that will consist of at least 2000 meters of drilling. On June 21, 2011, September 16, 2011, November 10, 2011, and March 2, 2012, the Company announced drill hole results from 18 holes now completed (see "*6.1 – Bazooka Property"* below). The property lies 7 km south of Rouyn-Noranda, Quebec in Beauchastel Township. The Cadillac-Larder Break strikes across the Bazooka property which is also adjacent to and on strike from the Augmitto, Cinderella and Astoria gold resources controlled by Yourbeau Resources Inc. (listed on the TSXV). The main focus of drilling will be in the east central part of the property in close proximity to a major flexure of the Cadillac deformation zone and near past development on mineralization from underground by previous operators.
- The Company has completed line cutting, a magnetometer survey, soil sampling and trenching on its 100% owned McWatters gold property, Quebec. The Company will now review the results to determine further work on its own or pursue a joint venture partner.

2.3 Corporate Activities

- The Company's common shares were approved for listing on the TSX Venture Exchange and commenced trading on August 5, 2011 under the symbol "RTM". The Company voluntarily delisted from the CNSX effective the close of market on September 26, 2011, and continues to trade on the TSXV.
- On March 3, 2011, the Company granted incentive stock options to directors, officers and consultants to purchase 1,875,000 common shares of the Company at $0.20 per share exercisable until March 3, 2013.
- On February 25, 2011, the Company appointed Ms. Sandra Wong as Corporate Secretary to replace Mr. Jonathan Samuda, who resigned from the Company.
- On March 1, 2010 the Company amended its Stock Option Plan (the "Plan") to provide for the issuance of options to acquire shares of the Company equal to 10% of the then issued and outstanding shares of the Company. On March 21, 2011, the Board approved a new Stock Option Plan (the "New Plan") to replace the existing Plan. The New Plan incorporates the changes to the TSXV option plan policies effective December 15, 2008, as well as provisions concerning the requirements of the Canada Revenue Agency concerning withholding tax payments on exercised

options, and provisions to accommodate electronic trading and the issuance of uncertified shares. As a 10% rolling plan, the aggregate number of Common Shares issuable as options under the New Plan may be up to 10% of the Company's issued and outstanding Common Shares on the date on which an option is granted, less Common Shares reserved for issuance on exercise of options then outstanding under the New Plan. The New Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees. The New Plan was approved by Shareholders at the Company's AGM held on April 29, 2011. All outstanding options under the Plan will be rolled into and deemed granted under the New Plan. The New Plan became effective from and after August 5, 2011, the date the Company was listed and began trading on the TSXV.

2.4 Proposed Transactions

- The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions.

3. OUTLOOK AND STRATEGY

The Company's strategic plan for 2012 is to focus on exploration work programs on its Bazooka and McWatters gold properties, and to search for potential joint venture partners, mineral property acquisitions, and financings.

The acquisition of the Bazooka gold property in December 2010 provides a 100% vested title interest in an advanced staged property that hosts known gold zones in the Noranda-Val D'Or mining region. The Company commenced the first phase of a diamond drill program in March 2011 that completed 14 holes and 4,027 meters of drilling, the main focus of which was in the east central part of the property in close proximity to a major flexure of the Cadillac deformation zone and near past development on mineralization from underground by previous operators. The second phase of the diamond drill program commenced in November 2011 and completed four holes and 1,530 meters of drilling. The Company announced drill hole results from a total of 18 holes and 5,557 meters of drilling completed under both phases on June 21, 2011, September 16, 2011, November 10, 2011, and March 2, 2012 (see "*6.1 – Bazooka Property* below"). The current phase of drilling has now been completed at Bazooka and the Company will review the results to consider future work on its own or pursue a joint venture partner.

The Company has completed line cutting, a magnetometer survey, soil sampling and trenching on its 100% owned McWatters gold property, Quebec. The Company will now review the results to determine further work on its own or pursue a joint venture partner.

On March 2, 2012, the Company announced the conclusion of the Deep Hole at the Meunier JV Property in the West Timmins gold region, Ontario. Drilling of the hole was discontinued at a 3,444m core length due to technical difficulties encountered at this depth in the hole. Further to the Company's press release dated November 10, 2011 concerning the Meunier JV property (see "6.3 – Meunier-144 JV Property" below), the Company was advised by the Operator that no other significant gold mineralization was encountered in the Deep Hole on the Meunier JV property (representing approximately the last 462 metres of the full 3,444 metre core length). Despite the above, the hole intersected a thick section of pyroxenite and several zones of alteration and deformation, including a broad zone containing local quartz veining, elevated pyrite and tourmaline between 3,023 and 3,052 meters (2,475 meters vertically below surface) with similarities to mineralization found within the Timmins West Mine Fold Nose Structure. The potential to extend or encounter other similar zones which could have higher grades in areas above, below and on strike of the above zone and on the Meunier JV or adjacent Lake Shore Gold property are considered excellent. In addition, budget analysis has outlined drilling costs that in the opinion of the Joint Venture participants are too high to warrant further drilling at this time. Therefore no further drilling in the parent hole or by wedge cuts from the parent hole are planned at this time on the JV property. The Deep Hole will be preserved so that future drilling or wedge cuts may be considered at a later date.

The Company and Lake Shore Gold have completed over $3,000,000 in exploration expenditures on the Meunier JV property to date. Upon final review and acceptance of the expenditures by Adventure Gold and the issuance of 250,000 common shares of the Company to AGE, the Company will have acquired an additional 25% (12.5% to be assigned to Lake Shore Gold) undivided interest in the property. After the transfer of ownership, the Meunier JV property ownership and joint venture partnership will consist of AGE (50%), LSG (25% - Operator) and RTM (25%).

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions.

4. OVERVIEW OF FINANCIAL RESULTS

4.1 Annual Financial Review

The table below presents selected financial data for the Company's three most recently completed fiscal years as presented in the audited financial statements:

	Year ended November 30, 2011	Year ended November 30, 2010	Year ended November 30, 2009
Total revenues	-	-	-
Profit (loss) for the year	($1,696,818)	($911,044)	($356,529)
Basic and diluted loss per share	($0.03)	($0.03)	($0.03)
Total assets	$3,746,766	$3,992,798	$977,612
Total long term liabilities	$5,000	$48,000	-
Cash dividends declared per share	-	-	-

The Company is in the exploration stage and did not earn any significant revenue during the three most recently completed fiscal years.

The 2011 net loss of $1,696,818 includes $1,756,304 in acquisition costs and exploration expenditures relating to the Meunier JV property that were written off at November 30, 2011. Recovery of previously unrecognized future income tax assets was of $972,000 (2010 - $310,000; 2009 - $69,750), stemming from the issuance of $3,269,250 in flow-through private placements during the year. General and administrative expenses were $909,673 in 2011 compared to $1,144,570 recorded during the 2010 fiscal year and $426,422 recorded during the 2009 fiscal year. The decrease can be attributed notably to lower filing fees ($47,799 in 2011 compared to $150,386 in 2010 and $6,995 in 2009) and stock-based compensation expense ($300,000 in 2011 compared to $437,000 in 2010 and $111,857 in 2009).

The 2010 net loss of $911,044 can be attributed to legal, listing and audit-related fees associated with the Company's TSX-V listing application; investor communications expenses; and stock-based compensation expense of $437,000. The Company also abandoned the Godbout Property during the year and accordingly wrote off $307,481 in mineral property expenditures.

Basic and diluted loss per share is fairly consistent across the three most recently completed fiscal years.

Total assets increased over the three most recently completed fiscal years, as the Company completed equity financings and invested the funds in exploration of mineral property interests.

4.2 Quarterly Financial Review

The table below presents selected financial data for the Company's eight most recently completed fiscal quarters as presented in the unaudited interim financial statements:

	Q4 Nov 30, 2011	Q3 Aug 31, 2011	Q2 May 31, 2011	Q1 Feb 28, 2011
Total revenues	-	-	-	-
Earnings (loss) for the period	($1,906,573)	$62,400	($514,655)	$662,010
Basic and diluted earnings (loss) per share	($0.03)	$0.00	($0.01)	$0.01
Total long term liabilities	$5,000	$90,837	$322,222	$371,495
Cash dividends declared per share	-	-	-	-
	Q4 Nov 30, 2010	**Q3 Aug 31, 2010**	**Q2 May 31, 2010**	**Q1 Feb 28, 2010**
Total revenues	-	-	-	-
Earnings (loss) for the period	$133,583	($121,914)	($757,212)	(165,501)
Basic and diluted earnings (loss) per share	$0.00	($0.00)	($0.02)	($0.01)
Total long term liabilities	$48,000	$38,350	$70,350	$205,350
Cash dividends declared per share	-	-	-	-

The Company is in the exploration stage and did not earn any significant revenue during the eight most recently completed fiscal quarters.

2011 Q4 net loss includes $1,756,304 in acquisition costs and exploration expenditures relating to the Meunier JV property that were written off at November 30, 2011, and ($2,117) in recovery of future income tax asset.

2011 Q3 net income includes $231,385 in recovery of future income tax asset.

2011 Q2 net loss includes $300,000 in stock-based compensation expense recorded on 1,875,000 incentive stock options granted during the quarter, and $49,273 in recovery of future income tax asset.

2011 Q1 net income includes a recovery of future income tax asset of $693,459 arising from flow-through share financings, and an unrealized gain on short term investments of $107,000 representing the fair value of 500,000 compensation warrants in AGE.

2010 Q4 net income includes other income of $134,000 in unrealized gain on short term investments representing the fair market value increase of the Company's warrants in AGE during the quarter, and $128,123 gain on the sale of the Company's investment in AGE marketable securities. The Company recorded ($10,000) in recovery of income tax asset.

2010 Q3 net loss includes $32,000 in recovery of future income tax asset.

2010 Q2 net loss includes $437,000 in stock-based compensation expense, $307,481 in write-off of the Godbout property, and $135,000 in recovery of future income tax asset.

2010 Q1 net loss includes $153,000 in recovery of future income tax asset.

Basic and diluted losses per share are fairly comparable over the eight most recently completed fiscal quarters.

Total assets steadily increased across the fiscal quarters as the Company completed equity financings and invested the funds in exploration of mineral property interests.

Long term liabilities represent future income tax liability. The Company has recorded a valuation allowance against its future income taxes based on the extent to which it is more likely than not that sufficient taxable income will be realized during the carry forward period to utilize all the future tax assets.

4.3 Fourth Quarter

The 2011 fourth quarter includes a provision of $40,000 for the audit of the 2011 fiscal year.

During the fourth quarter, an adjustment was made to reduce future income tax liability by $88,000 in connection with the flow-through private placements issued in December 2010. The difference was credited to share issue costs.

During the fourth quarter, $1,756,304 in acquisition costs and exploration expenditures relating to the Meunier JV property were written off.

No other fourth quarter year-end and other adjustments affected the Company's financial condition, cash flows or results of operations.

There were no extraordinary items recorded and there are not any seasonal aspects of the Company's business that impacted the fourth quarter.

5. RESULTS OF OPERATIONS

5.1 Operating Income and Expenses

The Company operates in one segment of mineral exploration in Canada. Therefore, there are no other parts of the business that have a disproportionate effect on revenues, income or cash needs, and there are no legal or other restrictions on the flow of funds from one part of the Company's business to another.

5.11 Income

The Company is considered to be in the exploration stage and therefore did not earn any significant revenue during the periods under review.

5.12 General & Administrative Expenses

General and administrative expenses incurred during the periods under review consist of the following:

	Three months ended November 30, 2011		Year months ended November 30, 2011	
	2011	2010	2011	2010
Accounting and audit fees	$ 40,000	$ 30,583	$ 83,486	$ 62,203
Administrative and consulting fees	33,000	12,000	119,000	64,451
Amortization	574	-	1,339	-
Filing fees	855	900	47,799	150,386
Investor communications	5,582	3,875	44,670	81,011
Legal fees	1,845	10,954	66,744	87,866
Management salaries	18,035	34,651	101,356	143,676
Office expenses	15,703	11,611	74,935	55,396
Part XII.6 Tax	941	(93)	12,268	5,979
Stock-based compensation	-	-	300,000	437,000
Transfer agent	1,086	2,798	10,007	12,459
Travel and automobile	5,887	12,235	48,069	44,143
	$ 123,508	$ 119,514	$ 909,673	$1,144,570

- ***General & Administrative Expenses – Year ended November 30, 2011***

General and administrative expenses for the year ended November 30, 2011 was $909,673 compared to $1,144,570 recorded for the year ended November 30, 2010.

Accounting and audit fees were $83,486 for the year ended November 30, 2011 compared to $62,203 recorded for the 2010 comparative period, and include the cost of reviewing the Company's interim financial statements for the purpose of the TSX-V listing application.

Administrative and consulting fees were $119,000 for the year ended November 30, 2011 compared to $64,451 for the year ended November 30, 2010. The consulting expenses are related to management consulting contracts (see "related party transactions" below) and the 2010 amount also includes $17,951 paid to a third party consultant.

Filing fees of $47,799 were recorded during the year ended November 30, 2011 compared to $150,386 recorded for the 2010 comparative period. The 2011 expense includes fees related to the Company's successful listing application on the TSXV. The 2010 expense includes $105,000 fair value of 375,000 share purchase warrants and $30,000 deemed value of 100,000 common shares issued pursuant to an agent and sponsorship agreement.

Investor communication expenses were $44,670 for the year ended November 30, 2011 compared to $81,011 for the 2010 comparative period. Investor communications expenses include transfer agent fees, shareholder meetings and mailings, attendance at industry shows, and participation in investor relations programs undertaken to raise the profile of the Company.

Legal fees were $66,744 for the year ended November 30, 2011 compared to $87,866 recorded for the 2010 comparative period, and include expenditures related to the Company's TSX-V listing application.

Management salaries were $101,356 for the year ended November 30, 2011 compared to $143,676 in management salaries incurred during the 2010 comparative period.

Office expenses totalled $74,935 for the year ended November 30, 2011 compared to $55,396 for the 2010 comparative period. Office expenses include website development, rent, telephone, office supplies, and other expenditures incurred during the ordinary course of business.

Stock based compensation expense, which calculation is dependent upon a number of variables including the number of options issued, market price volatility, risk-free interest rate, dividend yield and their expected lives, was $300,000 for the year ended November 30, 2011 compared to $437,000 in stock based compensation expense recorded in the 2010 comparative period. 1,875,000 options were granted and/or vested during the most recently completed fiscal period. 2,300,000 options were granted during the year ended November 30, 2010. Stock based-compensation expense is a non-cash item that attempts to measure the intrinsic value of incentive stock options granted.

Part XII.6 Tax was $12,268 for the year ended November 30, 2011 compared to $5,979 for the 2010 comparative period and relates to Canadian Exploration Expenditures incurred under the look-back rule.

Transfer agent fees of $10,007 (2010 - $12,459) were incurred in the ordinary course of business.

Travel and automobile expenses of $48,069 (2010 - $44,143) recorded for the year ended November 30, 2011 were incurred in the ordinary course of business and reflect the increased level of company operations during the period.

- ***General & Administrative Expenses – Three months ended November 30, 2011***

General and administrative expenses for the three months ended November 30, 2011 was $123,508 compared to $119,514 recorded for the three months ended November 30, 2010.

Accounting and audit fees were $40,000 for the three months ended November 30, 2011 compared to $30,583 recorded for the 2010 comparative period.

Administrative and consulting fees were $33,000 for the three months ended November 30, 2011 compared to $12,000 for the three months ended November 30, 2010. The consulting expenses are related to management consulting contracts (see “related party transactions” below).

Filing fees of $855 were recorded during the three months ended November 30, 2011 compared to $900 recorded for the 2010 comparative quarter.

Investor communication expenses were $5,582 for the three months ended November 30, 2011 compared to $3,875 for the three months ended November 30, 2011. Investor communications expenses include transfer agent fees, shareholder meetings and mailings, attendance at industry shows, and participation in investor relations programs undertaken to raise the profile of the Company.

Legal fees were $1,845 for the three months ended November 30, 2011 compared to $10,954 recorded for the 2010 comparative period.

Management salaries were $18,035 for the three months ended November 30, 2011 compared to $34,651 in management salaries incurred during the three months ended November 30, 2010.

Office expenses totalled $15,703 for the three months ended November 30, 2011 compared to $11,611 for the 2010 comparative period. Office expenses include website development, rent, telephone, office supplies, and other expenditures incurred during the ordinary course of business.

No stock based compensation expense was recorded during the quarter under review.

Part XII.6 Tax was $941 for the three months ended November 30, 2011 compared to a recovery of $93 for the 2010 comparative quarter and relates to Canadian Exploration Expenditures incurred under the look-back rule.

Transfer agent fees of $1,086 (2010 - $2,798) were incurred in the ordinary course of business.

Travel and automobile expenses of $5,887 (2010 - $12,235) recorded for the three months ended November 30, 2011 were incurred in the ordinary course of business and reflect the increased level of company operations during the period.

5.13 Other Income and Expense

The Company earned interest income of $21,569 during the year ended November 30, 2011 compared to interest income of $3,884 for the 2010 comparative period. The Company's interest income is derived from its cash deposits held with BMO Bank of Montreal and interest earned on CRA GST refunds. Unrealized loss on short term investments of $105,000 (2010 – unrealized gain of $99,000) reflects the fair market value of marketable securities held for trading. Write off of mineral properties of $1,761,714 in 2011 relates to $1,756,304 for the Meunier JV property and $5,409 for the Golden Property; write off of mineral properties of $307,481 in 2010 relates to the Godbout property.

5.2 Property Exploration and Acquisition Costs

The Company is in the mineral exploration business and has no revenues. Funding of the Company's exploration activities has been provided by equity offerings of the Company's securities and by cash operating loans by related parties. The recoverability of amounts paid by the Company for resource properties will be dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the underlying resource properties, as well as the ability of the Company to obtain the necessary financing to complete exploration and development of the properties, and upon future profitable production or proceeds from the disposition thereof.

Mineral interests include initial acquisition costs and related option payments that are recorded when paid. In accordance with Canadian generally accepted accounting principles, exploration and development costs are capitalized. Mineral interests in the form of exploration and acquisition costs totalled $2,233,262 as at November 30, 2011.

As at November 30, 2011, the Company held the following mineral property interests.

	Baie Comeau	Bazooka	Golden	McWatters	Meunier-144	Total
Balance, November 30, 2009	$ 318,063	$ -	$ 458,652	$ -	$ -	$ 776,715
Acquisition costs						
Cash	-	-	120,000	-	357,500	477,500
Shares	-	-	-	-	493,000	493,000
	-	-	120,000	-	850,500	970,500
Deferred exploration costs						
Administration	-	371	12,314	212	26,062	38,959
Assaying and development	-	-	52,807	-	-	52,807
Core logging, cutting, sampling	-	-	51,226	-	-	51,226
Data entry, drafting, reporting	-	12,324	38,695	-	-	51,019
Drilling	-	-	630,707	-	572,749	1,203,456
Facility rental	-	-	11,650	-	-	11,650

Field crew expenses	-	117	5,286	-	-	5,403
General geology	-	5,134	39,308	-	-	44,442
Geophysics	-	-	296,590	-	-	296,590
Project management	3,600	7,760	228,454	4,844	42,583	287,241
Site meals, lodging and travel	-	1,180	50,092	640	437	52,349
Stripping / trenching	-	-	42,092	-	-	42,092
	3,600	26,886	1,459,221	5,696	641,831	2,137,234
Less: tax credit recovery	(14,182)	-	-	-	-	(14,182)
Mineral properties written off	(307,481)	-	-	-	-	(307,481)
	(318,063)	26,886	1,459,221	5,696	641,831	1,815,571
Balance, November 30, 2010	$ -	$ 26,886	$2,037,873	$ 5,696	$1,492,331	$3,562,786

	Bazooka	Golden	McWatters	Meunier-144	Total
Balance, November 30, 2010	$ 26,886	$2,037,873	$ 5,696	$ 1,492,331	$ 3,562,786
Acquisition costs					
Shares	406,070	-	6,365	-	412,435
Non-cash	550,930	-	8,635	-	559,565
	957,000	-	15,000	-	972,000
Deferred exploration costs					
Administration	9,426	250	3,649	59,795	73,120
Assaying and development	68,749	607	-	-	69,356
Core logging, cutting, sampling	67,637	-	-	-	67,637
Data entry, drafting, reporting	51,466	5,136	3,105	660	60,367
Drilling	632,229	-	-	1,367,254	1,999,483
Facility rental	15,135	1,300	-	-	16,435
Field crew expenses	4,601	-	9	5,402	10,012
General geology	9,552	-	8,993	-	18,545
Geophysics	32,615	-	9,320	-	41,935
Mineral Claims	-	-	506	-	506
Permitting	6,808	-	2,067	-	8,875
Project management	145,902	6,200	59,530	86,420	298,052
Property taxes	-	-	-	1,658	1,658
Site meals, lodging and travel	21,144	-	3,890	428	25,462
Surface Sampling Reconnaissance	11,098	-	61,249	-	72,347
	1,076,362	13,493	152,318	1,521,617	2,763,790
Less: properties sold	-	(2,045,957)	-	(1,257,644)	(3,303,601)
Mineral properties written off	-	(5,409)	-	(1,756,304)	(1,761,713)
	1,076,362	(2,037,873)	152,318	(1,492,331)	(2,301,524)
Balance, November 30, 2011	$2,060,248	$ -	$ 173,014	$ -	$ 2,233,262

6. MINERAL PROPERTIES

6.1 Bazooka Property – Rouyn Noranda, Quebec

By a property acquisition agreement dated December 10, 2010 and approved by the Company's shareholders on December 30, 2010, the Company acquired the Bazooka and McWatters gold properties near Rouyn Noranda, Quebec, from Lake Shore Gold for consideration of 10,000,000 common shares of the Company and the transfer of its interest in the Golden Property near Timmins, Ontario and up to 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold. As further compensation to the Company, Lake Shore Gold paid $500,000 cash to the Company upon the Company's exercise of the First Option to earn an initial 25% interest on the Meunier JV property.

The Bazooka Property – description and work performed

The Bazooka property is a great acquisition for the Company as it provides a 100% vested title interest in an advanced staged property that hosts known gold zones in the Noranda-Val D'Or mining region.

The Bazooka property is an advanced gold prospect consisting of 15 mining claims in Beauchastel Township, 7 km southwest of Rouyn Noranda, Quebec and contiguous to the west boundary of properties owned and being actively explored by Yorbeau Resources Inc. (TSX: YRB.A). The property is situated about 45 km southwest of Agnico Eagles Laronde mine and about 40 km west of Osisko's Malartic project.

Geologically, the property overlies 1.8 km of the Cadillac-Larder Lake Deformation Zone (CLDZ), a major structural zone near the south margin of the Abitibi Greenstone Belt hosting numerous gold occurrences and deposits including the Val d'Or, Cadillac, Kirkland Lake, Larder Lake and Matachewan gold camps. Most significant gold mineralization identified to date at Bazooka is located near the east boundary with Yorbeau and hosted by strongly altered sedimentary and volcanic rocks surrounding a distinct northeast trending flexure in the CLDZ. This mineralization is in the direct westward extension of the CLDZ from Augmitto and Cinderella Blocks of the Yorbeau Property, where past mining has been conducted to a depth of 250 m from surface and recent drilling has yielded results such as 3.35 gpt Au over 33.0 m, including 9.59 gpt Au over 7.0 m and 74.67 gpt Au over 10.35 m (Yorbeau releases, May 26, 2010 and September 23, 2009, respectively). Yorbeau Resources has also recently announced the commencement of a NI 43-101 study to evaluate the resource potential at the Augmitto deposit.

The first significant exploration at the Bazooka property was conducted by Siscoe Mines in 1946 and included completion of 26 holes and development from an exploration shaft at 120 m below surface to evaluate the main mineralized showing. Significant historic drill intersections from this program include 8.8 gpt Au over 9.1 m, 3.8 gpt Au over 5.4 m, 10.7 gpt Au over 3.0 m, and 4.1 gpt Au over 3.0 m.

Soquem evaluated the property in 1981 and 1982, drilling 16 holes. The program identified four distinct mineralized zones (A,B,C and D) and obtained significant intercepts of 42.5 gpt Au over 4.5 m, 2.9 gpt Au over 9.0 m, 12.3 gpt Au over 7.5 m, and 21.1 gpt Au over 2.05 m. The above historic intercepts are from a 250 m long portion of the (CLDZ) surrounding the Siscoe Shaft and at depths less than 220 m below surface.

Recent historical work at the property includes drilling by Lake Shore Gold in 2003 and 2004, which tested gaps in previous drilling by Soquem as well as areas up to 250 m west of the Siscoe shaft with good success.

In total, 23 holes and 7,676 m were drilled and obtained several significant gold intersections at shallow depths from surface including:

Hole	Section	From (metres)	To (metres)	Length (metres)	Au gpt
BA-03-01	2220	80.0	82.0	2.0	11.7
BA-03-01	2220	159.0	161.3	2.3	6.5
BA-03-02A	2220	260.0	261.0	1.0	316.2
BA-03-02A	2220	274.9	277.1	2.3	10.8
BA-03-02A	2220	304.7	305.7	1.0	13.8
BA-03-04	1980	146.0	47.3	1.3	94.1
BA-03-08	2040	175.4	176.5	1.1	21.3
BA-04-21	1740	201.4	203.5	2.1	9.1

The best results from the Lake Shore drilling are closely associated with strongly deformed and altered sections of the CLDZ near the northeast trending flexure containing quartz and tourmaline veins with disseminated arsenopyrite, pyrite, chalcopyrite and arsenopyrite. The drill results indicate excellent potential to extend the known deposit along strike and to depth, as well as to define new deposits surrounding other northeast trending flexures west of the shaft. Further drilling from the 2004 work and 2010 field work was recommended, consisting of a $750,000 field program.

- ***Bazooka 2011 Drill Program***

In March 2011, the Company commenced the first phase of a diamond drill program that consisted of 14 holes and 4,027 meters of drilling on the property. The main focus of drilling was in the east central part of the property in close proximity to a major flexure of the Cadillac deformation zone and near past development on mineralization from underground by previous operators. Between 2003-2005 Lake Shore Gold conducted 10,804 meters of drilling on the Bazooka property yielding numerous significant intersections including 2.0m of 11.7 g/t, 1.0m of 316.2 g/t, 2.3m of 10.8 g/t, 3.0m of 5.0 g/t and 1.3m of 94.1 g/t Au. This drilling increased the known strike length of the zone from 250m to 560m and the zone remains open to the west and to depth on the RTM property.

On June 21, 2011, the Company announced drill hole results from 4 of 14 holes completed on the property.

Assay Results Received For RT Minerals 2011 Drilling — Bazooka Property

Hole No.	Section	Zone		From (m)	To (m)	Interval (m)	Au g/t
BRT-11-01	2225E	Bazooka Main		174.33	176.07	1.74	5.11
			Including	174.33	175.00	0.67	7.92
				227.50	255.00	27.50	0.68
			Including	234.88	235.30	0.42	12.48
			And	250.00	253.70	3.70	2.04
			Including	252.82	253.70	0.88	7.49
BRT-11-02	2225E	Bazooka Main		35.60	42.85	7.25	1.01
			Including	36.30	37.00	0.70	1.58
			And	38.45	39.40	0.95	2.54
			And	40.85	42.20	1.35	2.04

Hole No.	Section	Zone		From (m)	To (m)	Interval (m)	Au g/t
				56.00	57.54	1.54	1.81
				71.50	72.50	1.00	2.26
BRT-11-03	1980E	Bazooka Main		138.00	145.92	7.92	1.20
			Including	142.28	144.95	2.67	2.04
			Including	143.15	144.09	0.94	3.14
BRT-11-04	1978E	Bazooka Main		119.00	136.00	17.00	7.86
			Including	124.80	132.00	7.20	16.77
			Including	125.13	126.00	0.87	100.48
			And	130.10	130.73	0.63	35.16

The intervals reported in the table above represent core lengths with true widths presently estimated at approximately 85% to 93% of the reported core lengths. The above results are fire assays completed by Swastika Laboratories of Kirkland Lake, Ontario. In addition, assays for gold, silver and copper are pending on a further 7 holes from the current drill program.

BRT-11-01 and BRT-11-02 were drilled on the eastern side of the Bazooka Property within 100m of the boundary of Yorbeau Resources Rouyn Property which is east of and adjoins RT Minerals Bazooka Property. BRT-11-03 and BRT-11-04 were drilled about 250 meters west of the above two holes. The four holes were drilled to test the east-west striking, north dipping Main zone within the Cadillac-Larder Lake Deformation Zone. The Main zone is a 50 to 75m wide alteration zone containing quartz and carbonate quartz veining, developed within carbonated ultramafic rocks, and to a lesser extent in some of the sedimentary rocks above and below the ultramafics. These rocks are variably altered with silica, carbonate, sericite and fuschite with variable amounts of fine grained pyrite, arsenopyrite and chalcopyrite. Three of the four above drill holes intersected the entire width of the Main zone, hole BRT-11-02 began coring in the Main zone and continued through the zone, thus intersecting about 75% of the Main zone.

BRT-11-01 intersected the Main zone about 28m above historic Soquem drill hole BZ82-5 which returned 2.48 g/t Au over a core length of 6.2m and 4.97 g/t Au over a core length of 3.0m, and about 77m above historic Lake Shore Gold Corp (LSG) drill hole BA-03-02A which returned 3.62 g/t Au over a core length of 17.1m.

BRT-11-02 partially intersected the Main zone about 38m above historic Soquem drill hole BZ81-3 which returned 4.22 g/t Au over a core length of 54.0m including 63.39 g/t Au over 3.0m, and about 53m above historic LSG drill hole BA-03-01 which returned 11.73 g/t Au over a core length of 2.0m and 6.55 g/t Au over a core length of 2.34m.

BRT-11-03 intersected the Main zone about 10m below historic LSG drill hole BA-03-04 which returned 94.11 g/t Au over a core length of 1.25m. BRT-11-04 intersected the Main zone approximately 20m west of drill hole BRT-11-03.

On September 16, 2011, the Company announced drill hole results from a further seven holes completed on the property. The first four holes (BRT-11-01 to 04) of the first phase 14 hole program at Bazooka were previously announced on June 21, 2011 and remain as stated following full metallics analysis.

Assay Results Received For RT Minerals 2011 Drilling — Bazooka Property

Hole No.	Section	Zone		From (m)	To (m)	Interval (m)	Au g/t
BRT-11-01	2225E	Bazooka Main		174.33	176.07	1.74	5.11
			Including	174.33	175.00	0.67	7.92
				227.50	255.00	27.50	0.68
			Including	234.88	235.30	0.42	12.48
			And	250.00	253.70	3.70	2.04
			Including	252.82	253.70	0.88	7.49
BRT-11-02	2225E	Bazooka Main		35.60	42.85	7.25	1.01
			Including	36.30	37.00	0.70	1.58
			And	38.45	39.40	0.95	2.54
			And	40.85	42.20	1.35	2.04
				56.00	57.54	1.54	1.81
				71.50	72.50	1.00	2.26
BRT-11-03	1980E	Bazooka Main		138.00	145.92	7.92	1.20
			Including	142.28	144.95	2.67	2.04
			Including	143.15	144.09	0.94	3.14
BRT-11-04	1978E	Bazooka Main		119.00	136.00	17.00	7.86
			Including	124.80	132.00	7.20	16.77
			Including	125.13	126.00	0.87	100.48
			And	130.10	130.73	0.63	35.16
BRT-11-05	2195E	Bazooka Main		122.04	123.90	1.86	29.43
			Including	122.04	122.75	0.71	76.64
			Including	122.26	122.75	0.49	110.24
				167.38	169.00	1.62	1.18
				187.33	192.00	4.67	0.80
BRT-11-06	2170E	Bazooka Main		73.80	74.35	0.55	3.53
				125.48	126.36	0.88	1.88
				130.83	133.47	2.64	6.12
			Including	130.83	131.60	0.77	17.76
				156.50	157.50	1.00	2.42
				170.00	177.00	7.00	0.86
			Including	173.50	174.00	0.50	5.91
BRT-11-07	2000E	Bazooka Main	NSV				
BRT-11-08	1980E	Bazooka Main		106.62	107.33	0.71	5.62
				121.80	130.68	8.88	4.67
			Including	121.80	125.00	3.20	12.49
			Including	121.80	122.54	0.74	12.38

Hole No.	Section	Zone		From (m)	To (m)	Interval (m)	Au g/t
			And	124.34	125.00	0.66	43.78
BRT-11-09	2000E	Bazooka Main		154.20	154.85	0.65	0.93
				159.98	161.00	1.02	2.09
				167.00	168.00	1.00	4.18
				170.00	171.00	1.00	2.09
BRT-11-10	1234E	Bazooka Main		263.00	265.00	2.00	0.42
BRT-11-11	1865E	Bazooka Main		146.65	155.40	8.75	0.77
				153.50	155.40	1.90	1.57
			Including	154.20	154.80	0.60	3.05
				177.95	180.00	2.05	13.97
			Including	177.95	178.19	0.24	117.42

The intervals reported in the table above represent core lengths. The true width is presently approximated at about 85 to 95% of core lengths based on the dip of the rock formations and mineralized corridor. It is possible that the widths could be somewhat different due to the structural complexity (folding and shearing) in the Cadillac-Larder Lake Deformation Zone.

The above drill hole results are fire assays completed by Swastika Laboratories of Kirkland Lake, Ontario as to holes BRT-11-01 to 06. Holes BRT-11-07 to 11 are fire assays completed by Laboratoire Expert of Noranda, Quebec.

On November 10, 2011, the Company announced the following drill hole results.

Assay Results Received For RT Minerals 2011 Drilling — Bazooka Property

Hole No.	Section	Zone		From (m)	To (m)	Interval (m)	Au g/t
BRT-11-13A	2000E	Bazooka Main		132.10	137.69	5.59	0.86
			including	132.10	135.00	2.90	1.47
			including	133.10	134.03	0.93	3.50
				220.43	242.00	21.57	0.23
			including	235.51	240.00	4.49	0.44
				297.00	298.00	1.00	1.44
				302.70	303.35	0.65	1.82
				397.00	398.00	1.00	1.61
BRT-11-14	2225E	Bazooka Main		29.72	30.70	0.98	0.78
				156.00	178.00	22.00	1.01
			including	160.00	161.00	1.00	1.92
			And	167.00	171.73	4.73	2.64
			including	170.74	171.73	0.99	6.88
			including	171.40	171.73	0.33	17.49
			Also	175.60	176.89	1.29	4.11
			including	176.36	176.89	0.53	7.65

The intervals reported in the table above represent core lengths. The true width can be approximated as approximately 85% of core lengths based on the dip of the rock formations and mineralized corridor but could be somewhat different because of structural complexity (folding and shearing) in the Cadillac-Larder Lake Deformation Zone.

As part of the current work program at Bazooka a preliminary 3-D model of the Bazooka mineralization using past and current diamond drill data was completed to increase the understanding of the property geology in support of a second phase of diamond drilling.

In November 2011, the drilling of nine further holes under Phase 2 of the drill program was proposed at Bazooka (of which four were actually completed, for a total of 18 holes drilled under both phases). The Phase 2 holes are designed to extend the mineralization to depth below current significant intercepts, add information to untested areas within the interpreted Main Zone, test the potential easterly plunge of the Main Zone, and explore deformed and altered rocks near the Cadillac Larder Lake Break at a deeper level below the -200m elevation.

All of the Phase 2 holes are targeting the interpreted Main Zone which generally hosts the best gold values and widths, and has the best continuity both along strike and down dip. The total drill program was scheduled to consist of 3450 meters in drilling (of which 1530 meters was actually completed). This drilling commenced in mid-November and concluded in December 2011.

Assaying for the Bazooka property was carried out by Laboratoire Expert of Noranda, Quebec.

On March 2, 2012, the Company announced the following drill hole results.

Assay Results Received For RT Minerals 2011 Drilling — Bazooka Property

Hole No.	Section	Zone		From (m)	To (m)	Interval (m)	Au g/t
BRT-11-15A	1890E	Bazooka Main		356.58	366.05	9.47	1.03
			including	358.80	360.40	1.60	4.29
			including	359.64	360.40	0.76	6.27
BRT-11-16	1810E	Bazooka Main		26.60	30.00	3.40	0.24
				172.27	176.62	4.35	0.42
			including	172.27	174.00	1.73	0.78
				273.70	276.41	2.71	0.53
			including	275.90	276.41	0.51	1.23
BRT-11-17	1930E	Bazooka Main		83.68	85.09	1.41	0.65
				94.25	96.00	1.75	1.55
			including	94.25	95.00	0.75	3.02
				127.00	153.00	26.00	0.23
			including	137.00	138.00	1.00	2.19
BRT-11-18	2030E	Bazooka Main		208.00	209.40	1.40	1.54
			including	208.80	209.40	0.60	2.85
				282.00	297.00	15.00	0.21
			including	285.80	286.42	0.62	1.17

The intervals reported in the table above represent core lengths. The true width can be approximated as about 85% of core lengths based on the dip of the rock formations and mineralized corridor but could be somewhat different because of structural complexity (folding and shearing) in the Cadillac-Larder Lake Deformation Zone.

Assaying for the Bazooka property was carried out by Laboratoire Expert of Noranda, Quebec.

The current phase of drilling has now been completed at Bazooka and the Company will review the results to consider future work on its own or pursue a joint venture partner.

For complete disclosure for the Bazooka gold property, an NI 43-101 report dated November 26, 2010 may be viewed at www.sedar.com.

6.2 McWatters Property – Rouyn Noranda, Quebec

By a property acquisition agreement dated December 10, 2010 and approved by the Company's shareholders on December 30, 2010, the Company acquired the Bazooka and McWatters gold properties near Rouyn Noranda, Quebec, from Lake Shore Gold for consideration of 10,000,000 common shares of the Company and the transfer of its interest in the Golden Property near Timmins, Ontario and up to 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold. As further compensation to the Company, Lake Shore Gold paid $500,000 cash to the Company upon the Company's exercise of the First Option to earn an initial 25% interest on the Meunier JV property.

The McWatters property consists of 12 claims (404 Ha) located 8 km southeast of the town of Rouyn-Noranda. The property is just north of the Cadillac Larder Lake Fault Zone.

The McWatters property is located on the east extension of the CDLZ and contiguous with the east boundary of the Yourbeau Astoria Property where past mining has extended a shaft to 515 meters below surface and Yourbeau has been evaluating the potential for open pit mining. The McWatters property is also adjacent to land holdings owned by Threegold Resources Inc. (TSX.V: THG) and Gold Bullion Development Corporation Inc. (TSX.V: GBB). The McWatters property has seen limited past exploration but several gold showings have been identified both within and in the surrounding area.

The mineralization at McWatters consists of gold, pyrite and arsenopyrite. A showing known as the Lac La Bruere-Bischoff showing is located by past drilling (Lake Shore Gold 2003), which crosscut quartz veins with pyrite and arsenopyrite in a silicified wacke. These historic results returned up to 1.02 gpt Au over 0.91 meters and 7.79 gpt Au over 3 meters.

As different parts of the property remain covered by overburden, mineralized zones could be present at such locations. A compilation of past geophysical work and newly proposed geophysics has been undertaken on the property.

- ***McWatters 2011 Work Program***

The Company has completed line cutting, a magnetometer survey, soil sampling and trenching. The Company will now review the results to determine further work on its own or pursue a joint venture partner.

6.3 Meunier-144 Property – Timmins, Ontario

By an option agreement dated May 5, 2010, further subject to an agreement with Lake Shore Gold dated December 10, 2011 described below, the Company has been granted an option to acquire up to a 50% interest in a gold property ("the Meunier-144 Property") located in the district of Timmins, Ontario from Adventure Gold Inc., and Lake Shore Gold has been granted an option to acquire up to a 10% interest in the Property.

By a property acquisition agreement dated December 10, 2010 and approved by the Company's shareholders on December 30, 2010, the Company sold 50% of its earned interest in the Meunier-144 Property to Lake Shore Gold in consideration for the acquisition of the Bazooka and McWatters gold properties near Rouyn Noranda, Quebec, from Lake Shore Gold. As further compensation to the Company, Lake Shore Gold paid $500,000 cash to the Company upon the Company's exercise of the First Option to earn an initial 25% interest on the Meunier JV property.

Details of the May 5, 2010 option agreement and December 10, 2010 property acquisition agreement are described in the accompanying financial statements.

The Company completed the initial $1,500,000 in exploration expenditures on the Meunier JV property as at May 31, 2011 and exercised the First Option to earn a 25% interest in the property on June 30, 2011. Lake Shore Gold completed the $500,000 cash payment to the Company and the Company has assigned 50% of this interest (12.5%) to Lake Shore Gold. The Company has provided notice to Adventure Gold that it elects to exercise the Second Option to acquire an additional 25% (12.5% to be assigned to Lake Shore Gold) undivided interest in the property.

In connection with the transfer of 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold, the Company and Lake Shore Gold have formed a 50/50 joint venture and will share the Company's obligations under the Meunier JV with AGE. The terms of the Company/Lake Shore Gold joint venture will provide that, in the event that a party does not contribute its pro-rata share of expenditures on the Meunier JV property and a party's interest in the Meunier JV property falls below 10%, then such party will transfer its remaining interest to the non-diluting party being either Lake Shore Gold or the Company.

Subsequent to year end, the Company and Lake Shore Gold completed an additional $1,500,000 in exploration expenditures on the Meunier JV property as required under the Second Option. Upon final review and acceptance of the expenditures by Adventure Gold and the issuance of 250,000 common shares of the Company to AGE, the Company will have acquired an additional 25% (12.5% to be assigned to Lake Shore Gold) undivided interest in the property. After the transfer of ownership, the Meunier JV property ownership and joint venture partnership will consist of AGE (50%), LSG (25% - Operator) and RTM (25%).

Subsequent to year end, the Joint Venture made the decision to discontinue its current drilling program on the Meunier JV property due to technical difficulties encountered at depth; lack of significant gold mineralization; and budget analysis outlining drilling costs that in the opinion of the Joint Venture participants are too high to warrant further drilling at this time. Accordingly, $1,756,304 in acquisition costs and exploration expenditures relating to the property was written off at November 30, 2011.

The Meunier-144 Property – description and work performed

The Meunier-144 Property primarily covers a sequence of volcanic rocks located on the north side of the West Timmins sedimentary basin and along the west extension of the Bristol fault from the Timmins Mine and Thunder Creek properties where Lake Shore Gold Corp is currently developing a potential large scale mining operation. The key initial target for exploration on the Property includes the down plunge extension of gold zones located at the Timmins mine and Thunder Creek deposits including a pronounced "Fold nose" structure thought to control the bulk of gold mineralization at the Timmins mine and where LSG recently announced discovery of a second fold nose and significant new gold intersections approximately 600 meters east of the boundary with the property (see LSG press release dated February 18, 2010). Additional targets intended to be tested at the time included the projected down plunge extension of the Rusk horizon as well as new targets to be defined by surface exploration along the west extension of the Bristol fault. Coincident with this, some work was intended to be undertaken to evaluate programs for surface mapping, sampling and geophysics. LSG will manage and supervise the above programs.

In July 2010, Lake Shore Gold, acting as field operator, commenced a deep diamond drilling program at the Meunier-144 Property. The initial drill program attempted to complete approximately 4850m of drilling in an initial deep master hole (the "Deep Hole") and one wedge cut with drilling was expected to be completed by the end of October 2011. The initial master hole was planned to be 3300m in core length (approximately 2400m vertical depth) and the first wedge cut was planned to be 700m in core length (approximately 1800m vertical depth). A total of 850m was allotted in the drill program to re-drill portions of the holes if required.

The main objective of the initial deep master drill hole was to intersect the down plunge projection of the Timmins Mine at up to 2400m vertically below surface and the Thunder Creek Rusk Zone below 2400m.

In November 2010, the Company announced that the Deep Hole (M-10-05b) has intersected Ultramafic and Footwall style gold mineralization 2,380 metres below surface and has confirmed the geologic model of the favourable Timmins Mine fold nose structure. Within this zone is a second broad interval of alteration, deformation and quartz veining, estimated to be 37 metres wide. This has been identified from recently received drill core which is currently being logged and sampled.

In November 2010, the Deep Hole was at 3,061 metre in core length and continued to test for Timmins Mine and Thunder Creek mineralization at depth.

The Deep Hole targeted the Timmins Mine Fold Nose (TMFN), a folded mineralized structure which hosts the Ultramafic and Footwall zones and accounts for the bulk of existing resources above the 1,200 metre level on LSG ground. The Ultramafic Zone, the highest grade area of the Timmins deposit, typically occurs as a series of lenses hosted by pyroxenite situated in the core of the TMFN, while the Footwall Zone occurs within volcanic rocks, immediately north of the pyroxenite. The Deep Hole successfully intersected the pyroxenite, accompanied by typical Ultramafic and Footwall style mineralization, including carbonate alteration, quartz tourmaline veining, pyrite and elevated gold values at the 2,380 metre level (2,925 metres down hole), approximately 1.9 kilometre down plunge from the bottom of the current LSG reserve assuming the same 53 degree plunge observed near surface. Given that the Ultramafic Zone at the Timmins Mine starts at about the 525 metre level, and assuming the same plunge, the intersection at 2,380 metres represents a potential quadrupling of the plunge length of the Ultramafic Zone. The best assay value obtained to date is 1.98 grams per tonne gold over 1.10 metres from a zone located at a down hole depth of 2,925 metres to the north and below the nose of the TMFN structure.

The Joint Venture was encouraged by the results of the Deep Hole. It was a significant accomplishment by the LSG exploration team that, through their analysis and calculations, they were able to model the extension of the LSG Ultramafic structure almost two kilometres away and intersected the structure with the first hole on the Meunier JV property. Based on the interpretations of the Joint Venture, the results clearly validate the exploration model, potentially quadrupling the plunge length of the Ultramafic Zone and demonstrating a significant down plunge continuity of the Timmins Mine gold system, which is a classic characteristic of the historic, long-life Timmins gold producers.

All design and management of drilling for the program was conducted by Lake Shore Gold.

Based on current interpretations, the Deep Hole intersects the north limb of the TMFN structure slightly north of the boundary between the LSG – RTM – AGE Meunier JV property and 100% owned Lake Shore Gold property. The hole crosses the boundary onto the LSG – RTM - AGE JV property at 2,985 metres down hole with drilling continuing. The limb is identified on the basis of a prominent contact between pyroxenite and mafic volcanic rocks, which occurs at approximately 2,862 metres down hole.

Based on LSG's projections, the nose of the TMFN structure may lie slightly to the south and near the 2,100 metre elevation on the current section line.

Observations from drill core also indicate moderate to strong alteration and between 2,828 metres and 2,928 metres (i.e. approximately 100 metres wide) with several narrow syenite dikes, local quartz veinlets with tourmaline and sections containing between 1-8% pyrite. Results from this interval indicates anomalous gold values and a best assay value of 1.98 grams per tonne gold over 1.10 metres, from a down hole depth of 2,925 metres.

A second broad zone of alteration and deformation has been identified from recently received core, which also contains quartz veining, with tourmaline and locally elevated pyrite. This lower zone occurs between 3,024 and 3,061 metres (i.e., approximately 37 metres wide) and is still open to depth. No significant gold was intersected from assaying of this section.

On March 2, 2012, the Company announced the conclusion of the Deep Hole at the Meunier JV Property in the West Timmins gold region, Ontario. Drilling of the hole was discontinued at a 3444m core length due to technical difficulties encountered at this depth in the hole.

Further to the Company's press release dated November 10, 2011 concerning the Meunier JV property, the Company was advised by the Operator that no other significant gold mineralization was encountered in the Deep Hole on the Meunier JV property (representing approximately the last 462 metres of the full 3,444 metre core length). Despite the above, the hole intersected a thick section of pyroxenite and several zones of alteration and deformation, including a broad zone containing local quartz veining, elevated pyrite and tourmaline between 3,023 and 3,052 meters (2,475 meters vertically below surface) with similarities to mineralization found within the Timmins West Mine Fold Nose Structure. The potential to extend or encounter other similar zones which could have higher grades in areas above, below and on strike of the above zone and on the Meunier JV or adjacent Lake Shore Gold property are considered excellent.

In addition, budget analysis has outlined drilling costs that in the opinion of the Joint Venture participants are too high to warrant further drilling at this time. Therefore no further drilling in the parent hole or by wedge cuts from the parent hole are planned at this time on the JV property. The Deep Hole will be preserved so that future drilling or wedge cuts may be considered at a later date.

Quality Control

The Qualified Person ("QP") for the Meunier Deep Hole drill program is Jacques Samson, P. Geo. As QP, he has prepared or supervised the preparation of the scientific or technical information for the property. Mr. Samson is an employee of Lake Shore Gold.

There is no guarantee that the Timmins Mine Deposit and Thunder Creek Rusk Zone extend onto the Meunier JV Property and/or converge. Similarly, there is no guarantee that results from the drill program discussed will lead to the identification of a deposit that can be mined economically.

6.4 Golden Property – Timmins, Ontario

By an option agreement dated July 31, 2009, the Company acquired a 100% interest in a gold property ("the Golden Property") located in the district of Timmins, Ontario, in consideration for the payment of $1,030,000, the issuance of 500,000 common shares of the Company, and the expenditure of an aggregate of $2,100,000 in exploration expenditures over four years. The Company's interest in the Timmins Property was subject to a 3% net smelter return royalty, one half of which may be repurchased at any time for $1,000,000.

By an agreement dated December 10, 2010, the Company sold its interest in the Golden Property to Lake Shore Gold in a transaction that closed on December 30, 2010.

7. LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents as at November 30, 2011 were $1,071,151 compared to $134,778 as at November 30, 2010. Factors that could impact on the Company's liquidity are monitored regularly and include the market price of the Company's trading securities for the purposes of raising financing, exploration expenditures, and operating costs.

Cash on hand at the end of the period increased from that of the prior year. Most significant cash transactions include the following:

- $4,006,370 gross cash proceeds from private placements
- $75,000 cash proceeds from warrant exercises
- $650,290 cash expenditures on operating costs
- $2,247,602 cash expenditures on resource property costs
- $500,000 cash proceeds from sale of mineral interests

Working capital surplus was $881,111 as at November 30, 2011. This compares to working capital deficiency of $20,791 as at November 30, 2010.

Short term investments consist of securities in Adventure Gold Inc. with whom the Company participated in a property option and financing agreement described in the section "*6.3 Meunier-144 Property – Timmins, Ontario*" above. In May 2010, the Company subscribed for 1,000,000 units of AGE at a price of $0.20 per unit for gross investment of $200,000. Each unit consists of one common share of AGE and one-half warrant, each whole warrant entitling the Company to purchase an additional share of AGE for $0.27 per share for a two year period. In October 2010, the Company sold 1,000,000 common shares of its investment in AGE. Pursuant to the same property option agreement, the Company was issued 500,000 compensation warrants entitling the Company to purchase 500,000 common shares of AGE at a price of $0.20 per share until May 27, 2011. The Company exercised the 500,000 compensation warrants in March 2011. The fair market value of the shares held for trading at November 30, 2011 was $225,000 based on the closing share price of $0.45 on November 30, 2011.

Receivables at the end of the period were $182,055 and consist of $150,559 in HST input tax credits and other miscellaneous receivables. Prepaid expenses of $25,156 include $13,440 in salary advances paid to a company related by virtue of a common director, and the balance relates to ordinary operating expenses.

Accounts payable and accrued liabilities of $263,092 consist of trade payables and vacation pay liabilities.

Due to related parties represents amounts owing to directors, officers, companies with a common director, and shareholders who hold greater than a 10% interest in the Company for unpaid project management services, expenses and salaries, which are unsecured, non interest bearing and payable on demand. Due to related party also includes $322,612 payable to Lake Shore Gold for exploration expenditures on the Bazooka and Meunier JV properties incurred by Lake Shore Gold on the Company's behalf.

Future income tax liability of $5,000 is recorded to recognize that the Company does not have enough non-capital losses to offset flow through renunciations.

7.1 Operating Cash Flow

The Company is still considered to be in the exploration and development stage and as such does not earn any significant revenue. Interest earned on cash deposits and HST refunds totalled $21,569 for the year ended November 30, 2011. Cash flow expended on operations before changes in non-cash working capital items for the period was $586,765 compared to $568,686 for the year ended November 30, 2010. Changes in non-cash working capital items for the period were a cash outflow of $63,525 compared to an outflow of $40,689 for the year ended November 30, 2010.

7.2 Investing Activities

Cash outflow from investing activities was $1,859,083 for the year ended November 30, 2011 (2010: $2,109,626). $2,247,602 in cash (net of the below exclusions) was spent on mineral property exploration. Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. The following transactions have been excluded from the statement of cash flows:

- $159,454 resource property costs included in accounts payable and accrued liabilities; and
- $356,735 resource property costs included in due to related parties.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian (flow-though) qualifying exploration expenditures. The Company has indemnified the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

The Company is committed to spending the flow-through unit proceeds on exploration activities and to renouncing $5,261,814 of eligible Canadian Exploration Expenditures to the subscribers of the flow-through shares. This amount will not be available to the Company for future deduction from taxable income.

As a result of the $1,200,000 flow-through unit proceeds raised in December 2009, $1,194,000 in exploration expenses was renounced in February 2010. The Company recorded a recovery of future income tax assets of $250,000 with a reduction in share capital of $298,000 with respect to the renunciation. The Company is required to incur $1,194,000 (incurred by September 2010) in qualifying exploration expenses before December 31, 2010.

As a result of the $800,000 flow-through share proceeds raised in May 2010, $800,000 in exploration expenses was renounced in February 2011. The Company recorded a recovery of future income tax assets of $32,644 with a reduction in share capital of $200,000 with respect to the renunciation. The Company is required to incur $800,000 ($800,000 incurred by December 31, 2010) in qualifying exploration expenses before December 31, 2011.

As a result of the $1,878,000 flow-through share proceeds raised in December 2010, $1,877,061 in exploration expenses was renounced in February 2011. The Company recorded a reduction in share capital of $469,265 with respect to the renunciation. The Company is required to incur $1,877,061 in qualifying exploration expenses before December 31, 2011. As at December 31, 2011, the Company had incurred $1,841,428 in qualifying exploration expenses. The Company paid $8,681 in Part XII.6 tax with respect to the renunciation, and the $35,633 remainder of qualifying exploration expenses was incurred in January 2012.

As a result of the $1,391,250 flow-through share proceeds raised in December 2010, $1,390,753 in exploration expenses was renounced in February 2011. The Company recorded a reduction in share capital of $347,734 with respect to the renunciation. The Company is required to incur $1,390,753 in qualifying exploration expenses before December 31, 2011. As at December 31, 2011, the Company had incurred $966,682 in qualifying exploration expenses. The Company paid $51,115 in Part XII.6 tax with respect to the renunciation, and the Company intends to spend the $424,072 remainder of qualifying exploration expenses in 2012.

During the year under review, the Company received proceeds of $500,000 from the sale of 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold. This amount is included in the calculation of net cash used in investing activities. The Company also expended $100,000 on the exercise of 500,000 share purchase warrants of AGE at $0.20 per share, and spent $11,481 for the acquisition of office furniture and equipment.

7.3 Financing Activities

Cash inflows from financing activities for the year ended November 30, 2011 were $3,445,746 compared to $2,822,690 in the 2010 comparative period and included the following:

- $4,006,370 gross cash proceeds from private placements
- $75,000 cash proceeds from warrant exercises
- $298,431 cash paid for share issue costs

Due to related parties of $359,159 represents amounts owing to directors, officers, and companies with common directors for unpaid project management services, expenses and salaries, which are unsecured, non interest bearing and payable on demand. Due to related party also includes $322,612 payable to Lake Shore Gold, the Company's majority shareholder, for expenditures incurred on the Meunier JV property on the Company's behalf.

An amount of $356,735 owing to related parties was offset against resource property costs for purposes of the Statements of Cash Flows, because they relate to exploration expenditures.

On December 30, 2010, the Company completed its acquisition of the Bazooka and McWatters gold properties in Quebec from Lake Shore Gold and closed three separate non-brokered unit private placements for total gross proceeds to the Company of $4,006,370. On closing of the Private Placements, the Company issued a total of 4,607,000 units at $0.16 per unit, a further 9,390,000 flow-through units at $0.20 per unit and 4,968,750 structured flow-through units at $0.28 per unit. Each $0.16 Unit was comprised of one common share and one half of a warrant, with each whole warrant entitling the holder to acquire a further common share of the Company at a price of $0.20 for a term of two years, expiring December 30, 2012. The $0.20 Units and the $0.28 Units were each comprised of one flow-through share and one half of a Warrant, with each whole warrant (a "Warrant") entitling the holder to acquire a further common share of the Company at a price of $0.20 for a term of 2 years, expiring December 30, 2012. Insiders subscribed for 200,000 of the $0.20 Units and Lake Shore Gold subscribed for 1,500,000 of the $0.16 Units. The Company paid finders' fees totalling $187,762 and issued 854,445 finders' warrants in connection with the Private Placements. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of $0.20 for a term of two years expiring December 30, 2012.

Pursuant to the property transactions with Lake Shore Gold, the Company has issued to Lake Shore Gold 10,000,000 common shares, and transferred its interest in the Golden Property near Timmins, Ontario and up to 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold in consideration for the transfer to the Company by Lake Shore Gold of a 100% interest in the advanced stage Bazooka gold property in Quebec and the McWatters gold property in Quebec, as well as a $500,000 cash payment to the Company by Lake Shore Gold upon the Company's exercise of the First Option to earn an initial 25% interest on the Meunier JV property adjacent to Lake Shore Gold's Timmins Mine property, Ontario.

Upon closing of the above transactions, Lake Shore Gold holds ownership of 27.2% of the issued and outstanding common shares of the Company, 28.0% of the Company assuming exercise of only their warrants, and 24.1% of the Company on a fully diluted basis as at the date of this report.

7.4 Commitments

In connection with the transfer of 50% of the Company's earned interest in the Meunier JV property to Lake Shore Gold pursuant to the December 30, 2010 property transactions, the Company and Lake Shore Gold have formed a 50/50 joint venture and will share the Company's obligations under the Meunier JV with Adventure Gold Inc. The terms of the Company/Lake Shore Gold joint venture will provide that, in the event that a party does not contribute its pro-rata share of expenditures on the Meunier JV property and a party's interest in the Meunier JV property falls below 10%, then such party will transfer its remaining interest to the non-diluting party being either Lake Shore Gold or the Company.

The Company and Lake Shore Gold have entered into a strategic alliance agreement dated December 31, 2009 (the "Strategic Alliance Agreement") whereby Lake Shore Gold has been granted the right to appoint two persons to the board of directors of the Company and the right to participate, on a pro rata basis, in any subsequent equity financings of the Company. Under the terms of the Strategic Alliance Agreement, Lake Shore Gold has also been granted rights of first refusal in connection with any property transactions or project financings to be undertaken by the Company.

Pursuant to an agreement dated December 30, 2009, the Company engaged an agent to act as the Company's advisor and sponsoring agent for the proposed listing of the Company on the TSX Venture Exchange. As consideration for all of these services, the Company agreed to pay the agent the sum of $30,000 for legal fees and issued 100,000 shares of the Company and 375,000 compensation warrants entitling them to acquire 375,000 shares of the Company at a price of $0.20 per share until December 31, 2010. The fair value of 375,000 compensation warrants calculated to be $105,000 and the deemed value of 100,000 compensation shares calculated to be $30,000 were included in filing fees. Pursuant to a new agreement with the agent dated May 6, 2011, the Company agreed to pay to the agent a further $10,000 for legal fees as well as reasonable expenses in connection with the listing sponsorship.

The Company is co-tenant to an Office Lease for a three year term commencing May 1, 2011. The Company is committed to following gross rental amounts per financial year: 2012 - $36,774; 2013 - $$37,800; and 2014 - $15,768. Under the terms of the Office Lease the Company is also responsible for its portion of tax costs and operating costs. The operating costs will be adjusted annually. The Company and its Co-Tenant have agreed to each pay for 50% of the rent due and owing.

Effective January 1, 2010, the Company signed a management agreement to pay the President of the Company a salary of $2,000 per month for the term of the contract expiring December 31, 2010. This contract provides for a bonus payment of $75,000 should the President be instrumental in obtaining to the benefit of the Company equity, debt, project, exploration or joint venture funding valued at not less than $1,000,000 in aggregate for 2010. As a consequence of the $4,006,370 private placements closed in December 2010, the bonus was earned and payment was made in January 2011. Effective January 1, 2011, the Company signed a management agreement to pay the President of the Company a salary of $4,000 per month with no bonus provision for the term of the contract expiring December 31, 2011; this agreement was subsequently cancelled on April 1, 2011 and replaced by a Consulting, Management and Key Personnel Agreement (see below).

Effective January 1, 2010, the Company signed an administrative and consulting services contract to pay $8,000 per month to a company with a common director for the term of the contract expiring December 31, 2010. Effective January 1, 2011, the Company signed an administrative and consulting services contract to pay $10,000 per month to a company with a common director for the term of the contract expiring December 31, 2011; this agreement was subsequently cancelled on April 1, 2011 and replaced by a Consulting, Management and Key Personnel Agreement (see below).

Effective April 1, 2011 and as amended on August 17, 2011, the Company signed a Consulting, Management and Key Personnel Agreement to pay $12,000 per month to a company with a common director for the term of the contract expiring December 31, 2012. This agreement replaces the agreement dated January 1, 2011 to pay the President of the Company a salary of $4,000 per month; and the agreement dated January 1, 2011 to pay $10,000 per month to a company with a common director.

The Company is committed to make certain cash payments, share issuances and exploration expenditures in order to keep its properties in good standing, as described under "*Results of Operations - Mineral Properties*" above.

The Company is committed to certain management contracts as described under "*Related Party Transactions*" below.

7.5 Sources of Financing

The Company's financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. Management is of the opinion that the Company will continue to be able to meet its liabilities as they become payable.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

9. RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by related parties), which approximate the arm's length equivalent value for sales or products.

The Company is committed to the following management and consulting agreements with directors, officers and/or companies related by common directors:

- Pursuant to a management agreement with the President and CEO dated January 1, 2010, the Company agreed to pay a salary of $2,000 per month for the term of the contract expiring December 31, 2010. This contract provides for a bonus payment of $75,000 should the President be instrumental in obtaining to the benefit of the Company equity, debt, project, exploration or joint venture funding valued at not less than $1,000,000 in aggregate for 2010. This bonus was earned upon closing of the December 2010 private placements, and the bonus was paid in January 2011. Effective January 1, 2011, a new management agreement was signed to pay a salary of $4,000 per month for the term of the contract expiring December 31, 2011. This agreement was subsequently cancelled on April 1, 2011 and replaced by a Consulting, Management and Key Personnel Agreement (see below).
- Pursuant to an agreement with a company with a common director dated January 1, 2010, the Company agreed to pay $8,000 per month for administrative and consulting services for the term of the contract expiring December 31, 2010. Effective January 1, 2011, a new administrative and consulting agreement was signed to pay $10,000 per month for the term of the contract expiring December 31, 2011. This agreement was subsequently cancelled on April 1, 2011 and replaced by a Consulting, Management and Key Personnel Agreement (see below).
- Pursuant to an agreement with a company with a common director dated April 1, 2011 and as amended on August 17, 2011, the Company signed a Consulting, Management and Key

Personnel Agreement to pay $12,000 per month for the term of the contract expiring December 31, 2012. This agreement replaces the agreement dated January 1, 2011 to pay the President of the Company a salary of $4,000 per month; and the agreement dated January 1, 2011 to pay $10,000 per month to a company with a common director.

The Company incurred the following charges with officers and directors of the Company and companies with common directors:

	Three months ended November 30,		Year ended November 30,	
	2011	2010	2011	2010
Administrative and consulting fees	$ 33,750	$ 12,000	$ 119,000	$ 46,500
Management salaries	10,622	25,787	70,283	104,608
Office expenses	1,310	-	4,828	-
	$ 45,681	$ 37,787	$ 194,111	$ 151,108

These expenditures were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

Prepaid expenses at November 30, 2011 include $13,440 in consulting fees paid to a company with a common director.

Resource property costs for the year ended November 30, 2011 include $214,689 paid to directors of the Company and companies with a common director for project management services. Also included in resource property costs for the year ended November 30, 2011 is $1,536,181 in exploration expenditures on the Meunier-144 and Bazooka properties incurred by Lake Shore Gold on the Company's behalf.

Due to related party at November 30, 2011 includes amounts owing to directors and companies with common directors for unpaid project management services, expenses and salaries. Due to related party also includes $322,612 payable to Lake Shore Gold for the exploration expenditures described above.

Other than the reimbursement of general administrative and business expenses, no other monies were paid to related parties. All related party transactions are in the normal course of business and priced within industry standards.

10. CAPITALIZATION

Shareholder's equity was $3,119,515 as at November 30, 2011 compared to shareholder's equity of $3,493,995 as at November 30, 2010.

10.1 Share Capital

Outstanding share data as at March 22, 2012 is as follows:

Authorized:

Unlimited number of common shares

Issued and outstanding:

		Number	Amount
Balance, November 30, 2009		18,312,500	$ 1,256,423
For cash:			
Warrant exercise		5,450,000	321,250
Transfer from contributed surplus on exercise of warrants		-	14,398
Pursuant to a private placement	– at $0.20	7,500,000	1,500,000
Pursuant to a private placement	– at $0.20	5,750,000	1,150,000
Pursuant to an agency agreement	– at $0.30	100,000	30,000
Share issue costs		-	(161,044)
Flow-through share renunciation		-	(358,000)
For Meunier Property option	– at $0.16	3,362,500	538,000
Balance, November 30, 2010		40,475,000	4,291,027
For cash:			
Warrant exercise		375,000	75,000
Transfer from contributed surplus on exercise of warrants		-	105,000
Pursuant to a private placement	– at $0.16	4,607,000	737,120
Pursuant to a private placement	– at $0.20	9,390,000	1,878,000
Pursuant to an agency agreement	– at $0.28	4,968,750	1,391,250
Share issue costs		-	(406,953)
Flow-through share renunciation		-	(1,017,000)
For Bazooka and McWatters properties	– at $0.15	10,000,000	1,508,000
Balance, November 30, 2011		69,815,750	$ 8,561,444

As at March 22, 2012, the Company has 69,815,750 common shares issued and outstanding.

10.2 Stock Options

Outstanding option data as at March 22, 2012 is as follows:

	Number	Weighted Average Exercise Price
Balance, November 30, 2009	300,000	$0.20
Exercised	-	-
Cancelled	(300,000)	$0.20
Granted	2,300,000	$0.25
Balance, November 30, 2010	2,300,000	$0.25
Exercised	-	-
Cancelled	(150,000)	$0.25
Granted	1,875,000	$0.20

Balance, November 30, 2011	4,025,000	$0.23
Exercised	-	-
Cancelled	(2,150,000)	$0.25
Granted	-	-
Balance, March 22, 2012	1,875,000	$0.20

As at March 22, 2012, the Company has 1,875,000 share purchase options outstanding. The following table provides information about share purchase options outstanding and exercisable as at March 22, 2012.

Number	Exercise Exercise Price	Expiry Date
1,875,000	$0.20	March 3, 2013
1,875,000	$0.20	

10.3 Warrants

Outstanding warrant data as at March 22, 2012 is as follows:

	Number	**Weighted Average Exercise Price**
Balance, November 30, 2010	9,931,000	$0.20
Exercised	(375,000)	$0.20
Cancelled	(1,331,000)	$0.23
Issued	10,337,320	$0.20
Balance, November 30, 2011	18,562,320	$0.20
Exercised	-	-
Cancelled	(8,225,000)	$0.19
Issued	-	-
Balance, March 22, 2012	10,337,320	$0.20

As at March 22, 2012, the Company has 10,337,320 share purchase warrants outstanding. The following table provides information about share purchase warrants outstanding and exercisable as at March 22, 2012.

Exercise Price	Number of Shares	Expiry Date
$0.20	10,337,320	December 30, 2012
	10,337,320	

10.4 Contributed Surplus

	November 30, 2011	November 30, 2010
Balance, beginning of year	$ 692,403	$ 119,201
Stock-based compensation	300,000	437,000
Stock options exercised	-	-
Warrants exercised	(105,000)	(14,398)
Agent compensation	196,522	150,600
Balance, end of year	$ 1,083,925	$ 692,403

11. BOARD OF DIRECTORS AND OFFICERS

The directors of the Company are Donald (Dan) M. Clark (President and CEO), Mario Stifano, Eric Kallio, Paul Antoniazzi, and Ferdynand Kiernicki. Sandra Wong is Chief Financial Officer and Corporate Secretary.

12. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based upon historical experience and on various other assumptions that management believes to be reasonable under the circumstances, and require judgement on matters which are inherently uncertain.

13. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New Accounting Standards

N/A

New Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("GAAP") and IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of December 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended November 30, 2011. While the Company has begun assessing the adoption of IFRS for 2012, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations

In January 2009, the CICA issued the new handbook Section 1582, "Business Combinations" effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Although the Company is considering the impact of adopting this pronouncement on the financial statements, it will be limited to any future acquisitions beginning in fiscal 2012.

14. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying values of cash, amounts receivable, amounts due to related parties, and accounts payable approximate their fair values due to the relative short-term maturity of these instruments. The Company is not exposed to significant interest rate risk or credit concentration risk arising from these financial instruments. The Company's functional currency is the Canadian dollar. All current exploration occurs within Canada. There is no significant foreign exchange risk to the Company.

15. RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral exploration may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

16. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and copper, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to the integration of acquisitions, risk relating to international operations, the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; fluctuations in metal prices; as well as those risk factors discussed or referred to in the Company's annual Management's Discussion and Analysis for the year ended November 30, 2011 filed with the securities regulatory authorities in Canada and available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

17. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board, and the minority of its members are independent directors. The Committee meets at least once a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the external auditors. The Company's auditors have full and free access to the Audit Committee.

On behalf of the Board,
RT MINERALS CORP.

Donald (Dan) M. Clark,
President and CEO