FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: **Mahdia Gold Corp.** (the "Issuer").

Trading Symbol: **MGD**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

Please refer to Schedule A: Financial Statements – Note 10

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Sep-Nov 2011	Common shares	Private placement	2,487,500	$0.40	$995,000	cash	Arms-length	8%
Sep-Nov 2011	Warrants	Private placement	1,243,750	Issued with share	n/a	Issued as unit with common share	Arms-length	n/a
Sep-Nov 2011	Common shares	Consulting share	1,385,000	$0.10	$138,500	Consulting services	1,000,000 issued to director	n/a

(b) summary of options granted during the period,

The issuer has not granted any options subsequent to the filing of its Listing Statement.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Shares Authorized	Issued & Outstanding	Options	Warrants	Escrow Securities
Common shares – Unlimited	109,346,520 common shares; recorded value of $11,586,449	2,000,000 options issued; exercise price of $0.10, expiry October 15, 2013	34,467,950 warrants issued. Exercise price: 27,784,200 @ $0.15 5,440,000 @ $0.45 1,243,750 @ $0.60 Expiry of Oct 2012- Nov 2014	

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Name	Position
Alan Zaakir	CEO, CFO, Director
David Bending	President, Director
John Reynolds	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated February 28, 2012.

Alan Zaakir
Name of Director or Senior Officer

"Alan Zaakir"
Signature

CEO, Director
Official Capacity

Issuer Details Name of Issuer Mahdia Gold Corp	For Quarter Ended November 30, 2011	Date of Report YY/MM/D 12/02/28
Issuer Address 3300 Bloor Street, 11th Floor, Suite 3140		
City/Province/Postal Code Toronto, ON M8X 2X3	Issuer Fax No.	Issuer Telephone No. (416) 477-1034
Contact Name Alan Zaakir	Contact Position CEO, Director	Contact Telephone No. (416) 477-1034
Contact Email Address alzaakir@yahoo.com	Web Site Address www.mahdiagold.com	

Schedule "A"

MAHDIA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended November 30, 2011

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

"Alan Zaakir"

Alan Zaakir

Director

February 28, 2012

Mahdia Gold Corp.

Condensed interim consolidated Statements of Financial Position
(Unaudited, Expressed in Canadian Dollars)

	Note	November 30 2011	August 31 2011	September 1 2010
Assets				
Current assets:				
Cash		**$ 1,474,617**	$ 1,942,996	$ 42,310
Other receivables		**-**	-	57,543
Current portion of loans receivable from related parties		**-**	-	456,199
Prepaid expenses		**345,882**	623,495	-
		1,820,499	2,566,491	556,052
Long-term assets:				
Property, plant and equipment	6	**75,247**	30,838	8,767
Mineral properties and deferred exploration costs	7	**1,740,084**	1,582,385	44,787
Prepaid expenses		**202,000**	232,828	-
Loans receivable from related parties	5	**142,183**	142,183	-
		$ 3,980,013	$ 4,554,725	$ 609,606
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities		**$ 350,376**	$ 271,000	$ 1,737
Current portion of loans payable	8	**10,197**	175,509	-
		360,573	446,509	1,737
Long-term liabilities:				
Loans payable	8	**141,947**	113,198	-
		502,520	559,707	1,737
Shareholders' equity:				
Share capital	9	**11,586,449**	10,532,549	2,553,703
Shares to be issued		**-**	-	20,000
Share-based payment reserve	9(b)	**160,000**	160,000	-
Subscription receivable (net)		**(17,050)**	(69,000)	-
Deficit		**(8,251,906)**	(6,628,531)	(1,965,834)
		3,477,493	3,995,018	607,869
		$ 3,980,013	$ 4,554,725	$ 609,606

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved on behalf of the Shareholders

"Alan Zaakir"
Signed: Director

"David Bending"
Signed: Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Mahdia Gold Corp.

Condensed interim consolidated Statements of Comprehensive Loss
For the three months ended November 30, 2011 and 2010
(Unaudited, Expressed in Canadian Dollars)

	Note	Three months ended November 30, 2011	Three months ended November 30, 2010
Operating expenses:			
Consulting fees	**9(a)**	**$ 631,921**	$ 99,500
Professional fees		**538,670**	9,500
Share-based compensation	**9(b)**	**-**	160,000
General and office		**446,534**	47,743
Depreciation		**6,250**	-
Net loss and comprehensive loss		**$ 1,623,375**	$ 316,743
Weighted average number of common shares		**106,483,004**	43,109,820
Loss per share - basic and diluted		**$ 0.02**	$ 0.01

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Mahdia Gold Corp.

Condensed interim consolidated Statements of Changes in Equity
(Unaudited, Expressed in Canadian Dollars)

	Note	Number of common shares	Share capital	Shares to be issued	Subscription receivable (net)	Share-based payment reserve	Deficit	**Total**
Balance at August 31, 2010		40,488,915	$ 2,553,703	$ 20,000	$ -	$ -	$ (1,965,834)	$ 607,869
Private placement, net of issuance costs		38,664,200	5,376,755	- -	69,000	-	-	5,307,755
Shares issued for services		25,820,905	2,582,091	-	-	-	-	2,582,091
Shares issued on acquisition of mineral property		500,000	20,000	(20,000)	-	-	-	-
Share-based compensation	**9(b)**	-	-	-	-	160,000	-	160,000
Net loss for the period		-	-	-	-	-	(4,662,697)	(4,662,697)
Balance at August 31, 2011		105,474,020	$ 10,532,549	$ -	$ (69,000)	$ 160,000	$ (6,628,531)	$ 3,995,018
Private placement, net of issuance costs	**9**	2,487,500	$ 915,400	$ -	$ 51,950	$ -	$ -	$ 967,350
Shares issued for services	**9**	1,385,000	138,500	-	-	-	-	138,500
Net loss for the period		-	-	-	-	-	(1,623,375)	(1,623,375)
Balance at November 30, 2011		**109,346,520**	**$ 11,586,449**	**$ -**	**$ (17,050)**	**$ 160,000**	**$ (8,251,906)**	**$ 3,477,493**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Mahdia Gold Corp.

Condensed interim consolidated Statements of Cash Flows
For the three months ended November 30, 2011 and 2010
(Unaudited, Expressed in Canadian Dollars)

	Note	Three months ended November 30, 2011	Three months ended November 30, 2010
Cash flows from operating activities:			
Net loss for the period		**$ (1,623,375)**	$ (316,743)
Adjustments for:			
Depreciation		**6,250**	6,204
Capital stock issued for services rendered		**138,500**	-
Unrealized foreign exchange loss		**3,437**	-
Share-based compensation	**9(b)**	**-**	160,000
Change in non-cash operating working capital:			
Deposits and prepaid expenses		**308,441**	-
Accounts payable and accrued liabilities		**79,376**	-
		(1,087,371)	(150,539)
Cash flows from financing activities:			
Common shares issued, net of issuance costs		**915,400**	-
Subscription receivable (net)		**51,950**	-
Loans receivable		**-**	245,150
Loans payable		**(140,000)**	-
		827,350	245,150
Cash flows from investing activities:			
Investment in property, plant and equipment		**(50,659)**	-
Investment in mineral properties	**7**	**(157,699)**	-
		(208,358)	-
Increase (decrease) in cash during the period		**(468,379)**	94,611
Cash, beginning of period		**1,942,996**	42,310
Cash, end of period		**$ 1,474,617**	$ 136,921

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. Nature of operations and going concern

Mahdia Gold Corp. ("Mahdia" or the "Company") was incorporated in Alberta and is a reporting entity whose shares are listed on the Canadian National Stock Exchange ("CNSX") under the trading symbol "MGD".

The Company's principal activity is the exploration and development of mineral properties in Guyana, South America. To date, no mineral development projects have been completed and no commercial development or production has commenced.

The Company is primarily in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the carrying value of the Company's interest in mineral properties is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

The Company has no source of operating cash flows and has significant cash requirements to maintain its mineral investments and administrative overhead. In order to meet future expenditures and exploration costs, the Company may need to raise additional financing. Although the Company has been successful in obtaining financing to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

These condensed interim consolidated financial statements were approved by the Company's board of directors on February 28, 2012.

2. Basis of preparation

(a) Statement of compliance

These interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting". These are the Company's first interim financial statements under International Financial Reporting Standards ("IFRS") for part of the period covered by the first IFRS annual financial statements and IFRS "First-time Adoption of IFRS" has been applied. The interim financial statements do not include all of the information required for full annual financial statements.

The Company's significant accounting policies under IFRS are presented in Note 3. These polices have been retrospectively and consistently applied except where specific exemptions permitted an alternative treatment upon transition to IFRS in accordance with IFRS 1. The impact of the new standards, including reconciliations presenting the change from Canadian Generally Accepted accounting Principles ("GAAP") to IFRS as at September 1, 2010, as at and for the three months ended November 30, 2010 and as at and for the year ended August 31, 2011, is presented in Note 14.

2. Basis of preparation (continued)

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except as detailed in the Company's accounting policies.

(c) Basis of consolidation

The condensed interim consolidated financial statements of the Company include Mahdia and its wholly owned subsidiary, Mahdia Guyana Gold Corp. ("Mahdia Guyana"), (together referred to as the "Group").

(d) Functional currency

The individual financial records of each entity are kept in the currency of the primary economic environment in which the entity operates (its functional currency). These consolidated financial statements are presented in Canadian Dollars, which is the Company's functional currency.

(e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the interim financial statements are noted below with further details of the assumptions in the following notes:

(i) Mineral properties and deferred exploration costs

The application of the Company's accounting policy for mineral property interest acquisition costs requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available.

2. Basis of preparation (continued)

(e) Use of estimates and judgments (continued)

(ii) Income taxes

Tax interpretations, regulations and legislation in the jurisdiction in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realised from future taxable earnings.

(iii) Share-based payments

Charges for share-based payments are based on the fair value at the date of the award. The stock options are valued using Black-Scholes; inputs to the model include assumptions on share price volatility, discount rates and expected life outstanding.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise indicated.

(a) Cash and cash equivalents

Cash and cash equivalents comprise of cash and short-term deposits with original maturities of three months or less.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated amortization. Amortization is recorded over the estimated useful lives of the assets on a declining balance basis, with rates between 20% and 33% per annum.

3. Significant accounting policies (continued)

(c) Mineral properties and deferred exploration costs

The Company's accounting policy is to capitalize costs to mineral properties for exploration relating to acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, technical feasibility studies for extracting gold and other costs directly attributable to exploration projects. Mineral properties for exploration are carried at cost less accumulated impairment losses.

General exploration expenditures, which do not relate to specific resource properties, are written-off in the year incurred. Although the company has taken steps to verify title to the properties on which it is conducting exploration and 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 and non-compliance with regulatory requirements.

Exploration assets acquired under option agreements, whereby payments are made at the sole discretion of the company, are recorded in the accounts when the payments are made. Exploration assets acquired from a third party are carried forward provided that either the carrying value is expected to be recouped through successful development and exploitation or sale of an area of interest, or exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

The Company assesses the facts and circumstances and determines if there is an indication that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances would give rise to the Company testing and evaluating exploration and evaluation assets for impairment:

(i) the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed;

(ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

(iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or

(iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If there is an indication of impairment, the Company determines the recoverable amount of this intangible asset by judgments and estimates of future economic benefits and compares this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the consolidated income statement.

3. Significant accounting policies (continued)

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to the functional currency at the exchange rates prevailing at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not retranslated.

The foreign currency gain or loss resulting, if any, is recognized in the statement of income (loss) and comprehensive income (loss) in the period in which they arise.

(ii) Foreign operations

The assets and liabilities of foreign operations with a functional currency that differs from the presentation currency are translated to the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the financial period end;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity called foreign currency translation adjustments.

When a foreign operation is disposed of, the relevant amount in the translation is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income.

3. Significant accounting policies (continued)

(e) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of operations. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(f) Per share information

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognised on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

3. Significant accounting policies (continued)

(g) Segmented information

The Company determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer ("CEO"), who is the Company's chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results, for which discrete financial information is available, are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance. The Company has a single class of business which is the exploration and development of mineral properties. The geographical areas are not defined by the Company as operating segments in accordance with IFRS.

(h) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

(ii) Non-financial assets

Impairment of mining rights and exploration assets is assessed in accordance with the criteria noted above under "Mineral properties and deferred exploration costs". For other non-financial assets, the carrying amounts are reviewed at each reporting date to determine whether there is an indication of impairment. Where such impairment exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3. Significant accounting policies (continued)

(i) Share-based payments

The Company has been involved in equity settled transactions to acquire assets and as payment for services. The Company measures the equity transactions at the fair value of the goods or services received. If the goods or services cannot be measured reliably, the transaction is measured at the fair value of the equity instrument issued.

The Company grants stock options to acquire common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options using the graded vesting method. The fair value is recognized as an expense with the corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

(j) Asset retirement obligations

The company recognizes the fair value of an estimated liability for the future closure and reclamation costs with a corresponding increase to the carrying value of the related long-lived asset. The company defers the amount added to the asset until the commercial viability of the property is determined. If commercial production is achieved, the company amortizes the amount added on the same basis as the amortization method established for the related asset. The liability is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. As at August 31, 2011 and November 30, 2011, the company had no material asset retirement obligation.

(k) Financial instruments

Financial assets are classified into one of four categories:

- fair value through profit or loss (“FVTPL”);
- held-to-maturity investments (“HTMI”);
- available for sale (“AFS”); and
- loans and receivables.

3. Significant accounting policies (continued)

(k) Financial instruments (continued)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(l) New standards and interpretations issued but not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended November 30, 2011, and have not been applied in preparing these consolidated financial statements including the following:

IFRS 9, Financial Instruments: Classification and Measurement
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement

The Company is currently assessing the effects of the new standards.

4. Capital Management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued exploration programs in Guyana, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets.

The Company is not subject to externally imposed capital requirements.

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

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

5. Loans receivable from related parties

A non-interest bearing loan of $142,183 was outstanding at November 30, 2011 (August 31, 2011 – $142,183). The loan is secured by 1,000,000 common shares of the Company, and is repayable by August 31, 2015. The loan is receivable from a director, who is also the CEO of the Company.

6. Property, plant and equipment

The Company has the following property, plant and equipment:

	Cost	Accumulated Depreciation	Net book value Nov 30, 2011	Net book value Aug 31, 2011
Office equipment	$ 81,335	$ 45,414	**$ 35,921**	$ 30,838
Vehicle	42,515	3,189	**39,326**	-
Total	$ 123,850	$ 48,603	**$ 75,247**	$ 30,838

7. Mineral properties and deferred exploration costs

The following is the category of mineral properties and deferred exploration costs to date:

	Tiger River	White Creek	OMAI	Total
Balance at August 31, 2010	$ 44,787	$ -	$ -	$ 44,787
Acquisition cost	-	492,015	489,085	981,100
Permit fees	10,000	37,706	-	47,706
Exploration costs	97,981	274,258	136,553	508,792
Balance at August 31, 2011	$ 152,768	$ 803,979	$ 625,638	$ 1,582,385
Exploration costs	$ -	$ 117,079	$ 40,620	$ 157,699
Balance at November 30, 2011	**$ 152,768**	**$ 921,058**	**$ 666,258**	**$ 1,740,084**

During the year ended August 31, 2011, the Company entered into an agreement with the Government of Guyana to acquire the OMAI gold mine license for a total consideration of USD $11,500,000. Of this amount, USD $500,000 has been paid, with the Company committing to pay the remainder as follows: (i) USD $1,000,000 payable 12 months after granting of the prospecting license; (ii) $5,000,000 payable 24 months following the granting; and USD $5,000,000 payable 36 months after granting.

Subsequent to November 30, 2011, the Company was awarded the prospecting license from the Guyana Geology and Mines Commission for the OMAI property.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

8. Loans payable

Loans in the amount of USD $347,500 at August 31, 2011 were incurred in connection with an acquisition of White Creek property (Note 7). The loans are unsecured and non-interest bearing. The long-term portion of the loans has been discounted to provide for a 10% per annum imputed interest.

Total loans payable at November 30, 2011 was $152,144. During the three months ended November 30, 2011 the Company repaid $140,000.

Of the remaining loans payable at November 30, 2011, $10,197 is due to a corporation controlled by a director of the Company.

The repayment schedule for long-term loans is the following:

Year		Amount
2012	USD $	40,000
2013		40,000
2014		40,000
2015		40,000
2016 and thereafter		37,000
	USD $	**197,000**

9. Share capital

(a) Issued

(i) During the three months ended November 30, 2011, the Company completed a private placement of 2,487,500 units at $0.40 per unit for gross proceeds of $995,000, less transaction costs of $79,600. Each unit comprised of one common share and one-half of one common share purchase warrant in the capital of the Company.

(ii) During the three months ended November 30, 2011, the Company issued 1,385,000 common shares for consulting services valued at $138,500 or $0.10 per share, and has been recorded as consulting fees.

Of these consulting shares, 1,000,000 were issued to a director of the Company.

(b) Stock options

The company has a stock option plan by which the directors may grant options to purchase common shares to directors, officers, employees and service providers of the company on terms that the directors may determine within the limitations set forth in the stock option plan. The maximum number of common shares issuable upon the exercise of options granted pursuant to the stock option plan is set at 10% of total issued shares. There were no options granted prior to the year ended August 31, 2011.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

9. Share capital (continued)

(b) Stock options (continued)

A summary of the Company's stock options is as follows:

	Expiry date	Weighted Average Exercise Price	Number of Options	Vested
Balance at August 31, 2010	-	-	-	-
Granted - October 15, 2010	October 15, 2013	$0.10	2,000,000	2,000,000
Balance at August 31, 2011 and November 30, 2011		**$0.10**	**2,000,000**	**2,000,000**

For the three months ended November 30, 2011, $nil (2010 - $160,000) of share-based compensation expense was recorded for the fair value of stock options granted.

For the comparable prior period, the Company has corrected an omission of $160,000 in share-based compensation expense, which should have been recorded in the three months ended November 30, 2010.

The fair value of share options used to calculate the share-based compensation expense is estimated using the Black-Scholes option pricing model with the following assumptions:

Volatility	141%
Risk-free interest rate	1.42%
Expected life (years)	3 years
Dividend yield	Nil
Forfeiture rate	0%
Share price	$0.10

(c) Warrants

A summary of the Company's warrants is as follows:

	Expiry date	Weighted Average Exercise Price	Number of Warrants
Balance at August 31, 2010	-	-	-
Granted - 2011	Oct 2012-Aug 2013	$0.15	27,784,200
Granted - 2011	May 2013-Jul 2013	$0.45	5,440,000
Balance at August 31, 2011		**$0.00**	**33,224,200**
Granted - Q1 2012	Sep-Nov 2014	$0.60	1,243,750
Balance at November 30, 2011		**$0.23**	**34,467,950**

During the three month period ended November 30, 2011, the 1,243,750 warrants issued are exercisable for one common share of the Company. The warrants are subject to forced conversion if the 10-day volume-weighted average trading price exceeds $0.72 during the period commencing 4 months from issuance.

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

10. Related party transactions

(a) Loans receivable from related parties (Note 5).

(b) Included in loans payable is $10,197 (August 31, 2011 – $150,000) owed to a corporation controlled by a director of the Company (Note 8).

11. Commitments

(a) Commitments related to the OMAI mineral property (Note 7).

(b) During the year ended August 31, 2011, the Company entered into a five year lease agreement for its office in Guyana, which expires on July 30, 2016. The Company has prepaid a portion of rent until 2014, with $322,828 included in prepaid expenses at November 30, 2011. Additional lease payments in each of the next five years and in aggregate are as follows:

Year		Amount
2012	USD $	-
2013		-
2014		60,000
2015		120,000
2016		70,000
	USD $	**250,000**

(c) The Company entered into an agreement with a consulting company which is to provide services in connection with the exploration, environmental and waste management support for the OMAI project for an estimated price of $297,000. Approximately $50,000 has been invoiced to date. The Company has $109,550 in prepaid expenses relating to the agreement.

12. Key management compensation

	November 30, 2011	November 30, 2010
Short-term	180,000	90,000
Share-based compensation	100,000	160,000
Total	**$ 280,000**	**$ 250,000**

(Unaudited, Expressed in Canadian Dollars, unless otherwise noted)

13. Segmented information

The Company currently operates in two geographical areas, being Canada and Guyana.

November 30, 2011	Canada	Guyana	Total
Non-current assets			
Property, plant and equipment	$ 75,247	$ -	**$ 75,247**
Mineral properties and deferred exploration costs	-	1,740,084	**1,740,084**
Prepaid expenses	-	202,000	**202,000**
Loans receivable from related party	142,183	-	**142,183**
Total	$ 217,430	$ 1,942,084	**$ 2,159,514**

August 31, 2011	Canada	Guyana	Total
Non-current assets			
Property, plant and equipment	$ 30,838	$ -	**$ 30,838**
Mineral properties and deferred exploration costs	-	1,582,385	**1,582,385**
Prepaid expenses	-	232,828	**232,828**
Loans receivable from related party	142,183	-	**142,183**
Total	$ 173,021	$ 1,815,213	**$ 1,988,234**

14. Transition to International Financial Reporting Standards

As stated in Note 2, these are the Company's first condensed interim consolidated financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS.

The policies set out in Note 2 have been applied in preparing the unaudited condensed interim statements for the three months ended November 30, 2011, the comparative information presented in these condensed interim consolidated financial statements for the three and twelve months ended November 30, 2010 and August 31, 2011, respectively, and in the preparation of an opening IFRS statement of financial position at September 1, 2010 (the Company's date of transition).

The Company has followed the recommendations in IFRS 1 *First-time adoption of IFRS*, in preparing its transitional condensed interim consolidated financial statements.

IFRS Exemptions and choices

Share-based payments – IFRS 2 Share-based payments encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the transition date. The Company has chosen to apply the exemption under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by the transition date.

Leases - In some cases leases, such as premises leases, are accounted for differently under IFRS and Canadian GAAP. The Company has chosen to apply an exemption under IFRS 1 so that the Company does not have to restate balances at the transition date that might result from lease accounting differences.

14. Transition to International Financial Reporting Standards (continued)

IFRS Mandatory exceptions

Hindsight was not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any differences in accounting policies.

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have a material effect on the total operating, investing and financing cash flows.

In preparing its opening IFRS statement of financial position, no adjustments were required by the Company for amounts reported previously in its financial statements prepared in accordance with Canadian GAAP. There was no financial statement impact resulting from the transition from Canadian GAAP to IFRS. However, contributed surplus was renamed share-based compensation reserve.

15. Subsequent events

Warrants exercised

Subsequent to November 30, 2011, 1,203,000 warrants were exercised at $0.15 for common shares of the Company for an aggregate of $180,450.

Consulting shares

Subsequent to November 30, 2011, the Company issued 1,535,000 common shares for consulting services valued at $153,500 for an effective value of $0.10 per share.

Private placement

Subsequent to period end, the Company issued 50,000 units at $0.40 per unit under a private placement, for gross proceeds of $20,000. Each unit consists of one common share and one half of one warrant. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.60 for a period of two years from the date of issuance.

Subsequently, the Company re-priced the ongoing private placement from $0.40 to $0.30 per unit, with all other terms remaining the same. The Company intends to re-price units previously issued at $0.40 per unit to the $0.30 price.

Schedule "C"

Mahdia Gold Corp.

Management's Discussion and Analysis
For the three months ended November 30, 2011

Introduction

Unless the context suggests otherwise, references to "Mahdia", "the Company", "Issuer" or similar terms refer to Mahdia Gold Corp.

This Management's Discussion and Analysis ("MD&A") is a discussion and review of operations, current financial position and outlook for Mahdia and should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the period ended November 30, 2011.

All amounts included in the MD&A are reported in Canadian dollars unless otherwise noted. The financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). This report is dated as of February 28, 2012 and includes activities through to this date unless otherwise indicated. Readers are encouraged to view additional information, including press releases filed on the SEDAR website (www.sedar.com).

Corporate Activities

On August 18, 2011 Mahdia entered into an agreement with AMEC, one of Canada's largest engineering firms. AMEC will provide engineering assistance to the Company on the Omai property. In order to establish a clearer picture on the Omai property, the Company will prepare a NI 43-101.

The Company plans to establish a base camp on Tiger River to identify targets for the next stage exploratory work.

During the first quarter of fiscal 2012, Mahdia announced a private placement of a minimum of 7,500,000 shares, for an aggregate subscription price of $3,000,000, to a maximum of 20,000,000 shares for an aggregate subscription price of $8,000,000. The net proceeds of the offering will be used for work associated with Omai property and on the Company's other mineral interests in Guyana.

Overview of the Company

Mahdia Gold Corp. was incorporated in Alberta and is a reporting issuer, whose shares are listed on the Canadian National Stock Exchange ("CNSX") under the trading symbol "MGD". Mahdia is a Canadian based mineral resources company involved in the exploration and development of mineral properties in Guyana.

The Company is primarily in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has yet to determine whether its mineral properties contain economically recoverable reserves. The recoverability of the carrying value of the Company's interest in mineral properties is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company's mineral assets are located in Guyana; therefore, they are subject to foreign investment risk, including exchange fluctuations and political uncertainty.

To date, the mineral development projects have yet to be completed and the Company has yet to commence commercial development or production.

Exploration

Tiger River

Tiger River mineral property is located in central Guyana. It is comprised of 10 prospecting permits. The property is approximately 200 km south-southwest of the capital city of Georgetown and 10 km east of the village of Mahdia. The property is 35 km west-southwest of the Omai mine. The Tiger River property covers a large drainage area centred on the Mahdia-Konawaruk Rivers and portions of it have been the subject of artisanal mining for alluvial gold from the late 1800s to today. It is largely underlain by lateritic and saprolitic mafic volcanic rocks of the Proterozoic aged Guiana Shield. Bedrock gold occurrences are reported at William Creek/Williams Hill, Dazier Creek, Fate Creek and Klondyke Hill. The former two saw underground development in the form of shallow shafts and numerous adits between 1905 and 1935, but it is unclear if any measurable production was achieved. Alluvial gold has been produced from quartz and ferruginous laterites at Dazier Creek. Gold is generally hosted by quartz veins within sheared and otherwise deformed mafic volcanics related to felsic (and mafic) intrusives and can be considered to be typical Proterozoic lode gold type. Government geologists report that the alluvial gold is won from fine but angular quartz vein material that is likely occurring very close to source. The last known significant exploration work on the property was conducted by the Guyanese Department of Geological Surveys and Mines in 1970 and 1971 when it carried out a mapping and geochemical sampling program. In 2004, the Canadian consulting firm of WGM visited the property, sampling saprolitic/lateritic alluvial material and quartz vein pebbles; largely near reported historic showings. Gold values were returned from five of the six samples, including a significant 3.73 g Au/t from quartz pebbles taken from the bed of Dazier Creek. The Tiger River property previously hosted several artisanal gold mining operations, all processing alluvial material and it holds very good potential to host an economic bedrock gold deposit. Such a deposit might be amenable to open pit mining. Management is focused on developing an exploration program for the property in 2012.

White Creek

The White Creek property was only explored by previous operators. It has never been developed in a mine or produced. Mahdia is expecting to continue further exploration work on the White Creek property in fiscal 2012.

Subsequent to the November 30, 2011, the Company began conducting line cutting, mapping and selecting targets for drilling. The Company received a large data set of the work done by the previous operators of the property and is using the data set to help create our going forward exploration program.

Omai

During the period, the Company continued its advancement in obtaining the Omai prospecting license. The Omai concession covers highly valuable ground and is divided into different pits: the Fennell pit, the Wenot pit and possible additional deposits according to reports and data collected during the previous operation of the mine. The operating team copied all available digital data and has scanned all available logs, assays, maps and files. The work includes more than 60,000 meters of diamond drilling and an extensive database of shallow auger and BANKA drill holes, compilations and assays.

The phase I work program is contemplated by Mahdia and the engineers from AMEC will be supported by a geological compilation and geological report with emphasis on verification of the drill intercepts in Wenot West, Wenot Deep, and Fennel Deep.

The Omai property was previously developed by Cambior Resources where 3.7 million ounces of gold was produced from two pits, the Fenell pit and the Wenot pit. The Fenell pit, underground at the Omai mine, was drilled by Cambior and a report by IAMGOLD identified a possible deposit of 1.4 million ounces of gold under the Fenell pit.

Subsequent to November 30, 2011, the Company officially received a formal notice from the Guyana Geology and Mines Commission approving Mahdia's application for a Prospecting Licence for gold and precious metals at the Omai property.

Mahdia will now have access to the Omai site and can begin working on the property. The Company is currently reviewing a draft of the AMEC geological report. A final version will be published immediately upon completion. This report will review past performance, current conditions and future potential of the mine. The AMEC geological report will serve as a guide to Mahdia as the Company commences operations on the Omai property.

Outlook

Mahdia will continue to put its capital to work in order to achieve its long term growth objectives. Management's primary objective is the development of its mineral properties. On the Omai property, the Company will embark on a drilling program. The goal in fiscal 2012 is to conduct deep drilling on the property of approximately 11,500 metres. The Company will sample the alluvial material and continue the collection of data, as well as interpretation of the information from the historical records and information provided by the previous operator. On the White Creek property, the Company will continue its exploration project. The Company is currently mobilizing drills and equipment to the White Creek site. Once the drills are at site, a program of exploration, which will lead to targeting for deeper drilling will commence. On the Tiger River project, the Company will embark on a general exploration program. The Company will commence trenching, shallow drilling and assaying on the mineral property.

Mahdia expects to yield a quantity of valuable data which will enable the Company to design an appropriate exploration and development program for its mineral properties.

Results of Operations

The following table sets out selected unaudited financial information, presented in Canadian dollars. The Company adopted IFRS in accordance with IFRS 1 First-time Adoption of IFRS with a transition date to IFRS of September 1, 2010. Consequently, the comparative figures for 2010 and the Company's statement of financial position as at September 1, 2010 have been restated from generally accepted accounting principles in Canada ("GAAP") to comply with IFRS. The first reporting period for the Company is for the three month period ended November 30, 2011. Complete details of the transition to IFRS are included in the Company's unaudited condensed interim consolidated financial statements for the three months ended November 30, 201.

The following table sets out selected unaudited financial information, presented in Canadian dollars. The information is prepared in accordance with IFRS except for the year ended August 31, 2010 which was prepared in accordance with Canadian GAAP:

				Not restated for IFRS
	Three months ended November 30, 2011 $	**Year ended August 31, 2011 $**	**Three months ended November 30, 2010 $**	**Year ended August 31, 2010 $**
Net loss	(1,623,375)	(4,662,697)	(316,743)	(965,051)
Net loss per share	(0.02)	(0.08)	(0.01)	(0.03)

Three Months Ended November 30, 2011

The Company is an exploration and development stage company and has no revenue to date.

During the first quarter ended November 30, 2011, the Company incurred a net loss of $1,623,375 (Q1 2011 - $316,743).

The primary reasons for the increase in expenses are described below:

Consulting fees incurred by the Company in the first quarter of fiscal 2012 were $631,921 (Q1 2011 - $99,500). The fees incurred accounted for 39% of the net loss for the quarter (Q1 2011 – 31%). The Company retains independent consultants to conduct activities for the business.

Professional fees incurred by the Company in the first quarter of fiscal 2012 were $538,670 (Q1 2011 - $9,500), which accounts for 33% of the loss (Q1 2011 – 3%). The change can be attributed to legal fees in dealing with regulatory compliance, accounting fees and transactional advisory services.

Share-based compensation recorded in the first quarter of fiscal 2012 is $Nil (Q1 2011 - $160,000) for the vested portion of the options granted. The Company uses share-based compensation as an additional incentive for personnel. The issuance of the share-based compensation varies from year to year, based on the approval of the board of directors as well as the specific stock option plan provisions, and as a result the quarterly and annual expense can vary from period to period.

During the first quarter ended November 30, 2011, the Company incurred general and office expenses of $446,534 (Q1 2011 - $47,743). The expense accounts for 28% of the loss (Q1 2011 – 15%) and is due to hiring of new employees in 2012 as well as additional travel costs to Guyana during the period.

The Company continued its exploration program on its properties during the first quarter of 2012. The mineral properties include the following:

		November 30 2011		November 30 2010
Tiger River	$	152,768	$	44,787
White Creek		921,058		-
Omai		666,258		-
	$	1,740,084	$	44,787

The funds expended to date on the exploration program have been included on the balance sheet.

<u>Liquidity and Capital Resources</u>

Going Concern

The Company is in an early exploration and development stage. As the exploration project over the properties is just beginning, the Company has not yet determined whether the Property contains resources that are economically recoverable. Substantially all of the Company's efforts are devoted to exploration of the mineral properties. The recoverability of the amounts paid for the acquisition of, and investment in the mineral properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mining permits, the ability to obtain necessary financing and the attainment of profitable operations or, alternatively, the disposal of the mineral properties or the Company's interests therein on an advantageous basis.

The financial statements associated with this MD&A have been prepared in accordance with IFRS applicable to an entity expected to continue as a going concern which assumes that the Company will continue to operate for the foreseeable future. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

To date the Company has raised funds through the issuance of shares. The Company anticipates its overall costs to increase as it increases its exploration and administrative spending.

In order to meet future expenditures and cover administrative and exploration costs, the Company will need to raise additional financing likely through the issuance of shares. The Company has been successful in raising funds to date but there can be no assurance that adequate funding will be available in the future or available under terms favourable to the Company.

Liquidity and Capital Resources

The Company's main sources of funding are from equity contributions. As at November 30, 2011, the Company had cash resources of $1,474,617 and working capital of $1,459,926. Cash is held on deposit thereby minimizing credit risk.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

During the period, the Company incurred:

- $10,197 (August 31, 2011 - $150,000), owed to a corporation controlled by a director of the Company.
- $142,183 (August 31, 2011 - $142,183), the loan is receivable from a director, who is also the CEO of the Company.

Commitments

Omai mineral property

During the year ended August 31, 2011, the Company entered into an agreement with the Government of Guyana to acquire the Omai gold mine license for a total consideration of USD $11,500,000. Of this amount, USD $500,000 has been paid, with the Company committing to pay the remainder as follows: (i) USD $1,000,000 payable 12 months after granting of the prospecting license; (ii) $5,000,000 payable 24 months following the granting; and USD $5,000,000 payable 36 months after granting.

Lease agreement

During the year ended August 31, 2011, the Company entered into a five year lease agreement for its office in Guyana, which expires on July 30, 2016. The Company has prepaid a portion of rent until 2014, with $322,828 included in prepaid expenses at November 30, 2011. Additional lease payments for the Guyana office total USD 250,000 over the next five years.

Consulting

The Company entered into an agreement with a consulting company which is to provide services in connection with the exploration, environmental and waste management support for the Omai project for an estimated price of $297,000. Approximately $50,000 has been invoiced to date. The Company has $109,550 in prepaid expenses relating to the agreement at November 30, 2011.

Conversion to International Financial Reporting Standards

The Company has adopted IFRS effective September 1, 2010. Prior to the adoption of IFRS, the Company prepared its financial statements in accordance with Canadian GAAP for publically accountable profit oriented enterprises. For additional information on the transition to IFRS, refer to the unaudited condensed interim consolidated financial statements for the three month period ended November 30, 2011 accompanying this MD&A.

The Company also reviewed its internal controls over financial reporting and disclosure controls and procedures for IFRS. No material changes in internal controls over financial reporting or disclosure controls and procedures resulted from the adoption and implementation of IFRS.

Reconciliations prepared in accordance with IFRS 1, “First-Time Adoption of International Financial Reporting Standards” are provided in note 14 to the unaudited condensed interim consolidated financial statements for the three month period ended November 30, 2011.

Critical Accounting Estimates

The preparation of the Company’s financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the financial results of the Company. Such estimates and assumptions affect the carrying value of assets and impact decisions as to when exploration and development costs should be capitalized or expensed, and estimate for asset retirement obligations and reclamation costs.

Other significant estimates made by the Company include factors affecting valuations of share-based compensation. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

Future Accounting Changes

The IFRS Board periodically issues new standards and amendments or interpretations to existing standards. The following accounting standards, amendments and interpretations have been issued but are not yet effective for the Company. Management is currently assessing the impact of the new standards on the Company’s accounting policies and financial statement presentation.

(i) IFRS 9 *Financial Instruments* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in

IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

(ii) IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 *Consolidation—Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements* and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iii) IFRS 11 *Joint Arrangements* was issued by the IASB in May 2011. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*, and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(iv) IFRS 12 *Disclosure of Interests in Other Entities* was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(v) IFRS 13 *Fair Value Measurement* was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure requirements for IFRSs and US generally accepted accounting principles (GAAP). The guidance, set out in IFRS 13 and an update to Topic 820 in the FASB's Accounting Standards Codification (formerly referred to as SFAS 157), completes a major project of the boards' joint work to improve IFRSs and US GAAP and to bring about their convergence. The standard is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(vi) IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, prepaid expenses, accounts payable and accrued liabilities, and loans payable.

Management does not believe these financial instruments expose the Company to any material interest, currency or credit risks. The fair market values of cash, prepaid expenses, accounts payables and accrued liabilities, and loans payable approximate their carrying values.

Risks and Uncertainties

Exploration and development activities of a mineral resource company are by their nature highly speculative and its operations involve a number of risks, some of which are beyond the Company's control. Financial, operational and non-financial risks could materially affect the Company's future operating results and could cause actual events to differ materially from those described in the forward-looking information of the Company.

The following is a description of significant risk factors and uncertainties.

Cash flows and additional funding requirements

A significant amount of funding is required to support the capital and operating expenditures in connection with the exploration and development of the Company's mining properties. There are no assurances that the necessary financing will be available in a timely manner. Without adequate financing, it may cause the development of the mining properties to be delayed or postponed or terminated entirely.

Nature of mining and mineral exploration and development

The mining industry involves a high degree of risk. The Company's operations are subject to hazards and risks normally encountered in the industry. These risks include, but are not limited to, finding and developing the reserve economically, uncertainties, delays, interruptions in development and production and/or conducting operations in a cost effective manner. The Company is diligent in monitoring and responding to changes in the risk factors that affect the nature of mining and mineral exploration and development.

Reserve estimates

Uncertainties are inherent in estimating mineral resources and reserves. There are many factors that are beyond the control of the Company, such as the subjective nature of the estimates, accuracy in the quantity and quality available, the assumptions made and judgements used by the engineers and geologists. These factors can have a material effect on the financial position and future results from operations.

Title to properties

The Company has taken steps to verify title to the resource properties on which it is conducting exploration and in which it has a right to acquire an interest. This is 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, non-compliance with regulatory requirements, and may also be affected by undetected defects or the rights of indigenous peoples.

Revenue

The Company is currently in an exploration stage and has not commenced commercial production or development of the properties. With a ramp-up of the Company's exploration program, losses will continue to be incurred in the foreseeable future. The exploration of the properties will require substantial capital commitments and there are no assurances that the Company will generate any revenues and be profitable in the future.

Mineral commodity prices

The Company is exposed to commodity price risks. The Company closely monitors gold commodity prices, equity movements and the market to determine the appropriate course of action. The Company's future profitability and viability depends on the price of gold. These prices have fluctuated significantly in recent years. There is no assurance that commercial qualities may be produced in the future or that a profitable market will exist for the mineral. A decrease in the market price may have an adverse effect on the Company's financial condition and results of operations.

Foreign Operations

At present, substantially all of the operations of Mahdia are in Guyana and, as a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; war, terrorism, crime, famine, drought, illegal mining, corruption uncertainty of the rule of law; renegotiation or nullification of existing concessions, licences, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls; and governmental regulations or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Guyana may adversely affect the operations or profitability of the Company.

Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, import or export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of Mahdia.

The legal system in Guyana is not yet as developed as legal systems in Canada, which leads to a higher level of uncertainty in the application and determination of Guyanese legal issues than would be expected in Canada, which can lead to regulatory delays, ill motivated use of courts or regulatory bodies and inconsistency in interpretation and enforcement of applicable Guyanese laws. Such risks are part of over-all risks of doing business in Guyana and should be taken into account by any investor in Guyanese mineral projects.

Share price fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur, in particular that other factors beyond the control of the Company could cause a significant decline in the market price of the shares.

Environmental risks and hazards

The Company's activities are subject to the laws and regulations from all levels of government. These laws govern environmental protection and employee health and safety. The costs of complying with these laws and regulations may reduce future profits from operations. As well, a failure to fully comply with laws and regulations may have a significant effect on the development and future operations of the Company. This would include the suspension or ceasing of operations.

Licenses, permits, laws and regulations

The Company's exploration and development activities require permits and approvals from various government authorities and are subject to far-reaching laws and regulations. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. As well, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee the Company is able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Surface Rights and Access

Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any right to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such right can be costly and time consuming. In areas where there are no existing surface rights where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowner/occupiers for such access, and therefore may be unable to carry out exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Availability and dependence on management and outside advisors

The Company has relied and intends to rely on management and outside advisors for exploration, development, and operating expertise. If the work of the aforementioned parties is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Competition risk

Numerous competitors in the industry may result in the Company being unable to acquire desired property, recruit or retain qualified employees or acquire the capital necessary to develop its property. The inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mining properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave in, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projects.

Conflicts of Interest

Certain Officers and Directors serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, these Officers and Directors may have a conflict of interest in negotiating and concluding terms respecting such participation.

Current Global Financial Conditions

Financial markets globally have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by liquidity crises throughout the world. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Company's securities in an adverse manner.

Qualified Personnel

Recruiting and retaining qualified personnel in the future is critical to the Company's success. As the Company explores its properties, the need for skilled labour will increase. The number of persons skilled in the exploration and development of mining properties is limited and competition for this workforce is intense. The development of the properties and other initiatives of the Company may be significantly delayed or otherwise adversely affected if the Company cannot recruit and retain qualified personnel as and when required.

Dividend Policy

No dividends have been paid to date on the shares. The Company anticipates that for the foreseeable future it will retain any future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Company's Board of Directors after taking into account many factors, including its operating results, financial condition and current and anticipated cash needs.

Share Capital

The following securities were outstanding as at January 31, 2012:

Common shares	111,749,520
Warrants	33,289,950
Stock options - Vested	2,000,000

Forward Looking Information

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its mineral project, the future price of resources, the estimation of resources, the realization of resource estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of development, costs and timing of future exploration, requirements for additional capital, government regulations, environmental risks, reclamation expenses, title disputes or claims and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" 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 are based on assumptions. They involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiary to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in this MD&A. 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 to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or result, except as may be required by applicable securities laws. 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. Accordingly, readers should not place undue reliance on forward-looking statements.

Other Information

Additional information relating to Mahdia is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website www.mahdiagold.com.

On behalf of the Board of Directors

Alan Zaakir

Director