FORM 5

QUARTERLY LISTING STATEMENT (Amended)

Name of CNSX Issuer: Magna Resources Ltd. (the "Issuer").

Trading Symbol: MNA

Quarter Ended: January 31, 2012

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:

(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.
(b) summary of options granted during the period,

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.

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.

Rudy de Jonge	**Director and Chief Executive Officer**
John Greig	**Director**
Kenneth Holmes	**Director**
Darryl Yea	**Director**
Kent Ausburn	**Director**
Lawrence Dick	**Director**
Alexander ("Alec") S. Peck	**Chief Financial Officer**
Mike Sieb	**President**

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.

5. Dated January 24, 2013

Mike Sieb

Name of Director or Senior Officer

"*Mike Sieb*"

President

Official Capacity

Issuer Details Name of Issuer Magna Resources Ltd.	For Quarter Ended January 31, 2012	Date of Report YY/MM/D January 24, 2013
Issuer Address 1220-1066 West Hastings Street		
City/Province/Postal Code Vancouver, BC V6E 3X1	Issuer Fax No. 604.558.4956	Issuer Telephone No. 604.558.4955
Contact Name Mike Sieb	Contact Position President	Contact Telephone No. 604.805.6345
Contact Email Address	Web Site Address magnaresourcesltd.com	

SCHEDULE “A”

MAGNA RESOURCES LTD.

(an exploration stage enterprise)

Condensed Consolidated Interim Financial Statements
For the six months ended January 31, 2012 and 2011

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Magna Resources Ltd. (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 the standards of the Canadian Institute of Chartered Accountants for a review of interim financial statements.

MAGNA RESOURCES LTD.
An exploration stage enterprise
Condensed consolidated interim statements of financial position
(Expressed in Canadian Dollars -unaudited)

		January 31, 2012		July 31, 2011
				(Note 14)
ASSETS				
Current assets				
Cash and cash equivalents	$	**200,501**	$	34,250
Short term investments		**1,800,710**		-
HST receivable		**19,555**		8,232
Other receivables		**-**		2,766
Prepaid expenses		**10,038**		-
Marketable securities (Note 6)		**-**		106,382
Total current assets		**2,030,804**		151,630
Non-current assets				
Exploration and evaluation assets (Note 6)		**2,787,534**		172,730
Intangible assets		**322,811**		99,914
Total non-current assets		**3,110,345**		272,644
Total Assets	$	**5,141,149**	$	424,274
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**229,322**	$	51,392
Future income taxes payable		**-**		9,372
Due to related parties		**60,235**		-
Total liabilities		**289,557**		60,764
EQUITY				
Equity attributable to shareholders				
Share capital (Note 7)		**4,622,161**		1,322,961
Reserves		**641,794**		314,194
Accumulated other comprehensive loss		**(1,091)**		(18,426)
Accumulated deficit		**(411,272)**		(1,255,219)
Total equity		**4,851,592**		363,510
Total liabilities and equity	$	**5,141,149**	$	424,274

These condensed consolidated interim financial statements are authorised for issue by the Board of Directors on January 24, 2013. They are signed on the Company's behalf by:

"Rudy de Jonge"	*"Darryl Yea"*
Rudy de Jonge, Director	Darryl Yea, Director

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

MAGNA RESOURCES LTD.
An exploration stage enterprise
Condensed consolidated interim statements of comprehensive income (loss)
(Expressed in Canadian Dollars - unaudited)

	Six months ended January 31, 2012	Six months ended January 31, 2011	Three months ended January 31, 2012	Three months ended January 31, 2011
		(Note 14)		(Note 14)
Amortization expense	**$ -**	$ -	**$ (681)**	$ -
Filing and transfer agent fees	**12,623**	6,452	**9,313**	5,025
Interest expense and bank charges	**243**	10	**79**	10
Consulting fees	**37,517**	-	**22,517**	-
Office and miscellaneous	**1,616**	825	**1,472**	492
Accounting and audit	**30,390**	17,169	**13,470**	4,286
Dissemination, advertising and promotion	**5,366**	-	**3,826**	-
Travel and meals	**1,291**	-	**1,291**	-
Legal fees	**52,207**	3,727	**44,079**	2,181
NET LOSS BEFORE OTHER EXPENSES	**(141,253)**	(28,183)	**(95,366)**	(11,994)
OTHER INCOME (EXPENSES)				
Interest income	**(674)**	-	**(674)**	-
FIT expense	**10,057**	-	**10,057**	-
Gain on business combination achieved in stage	**1,001,754**	-	**1,001,754**	-
Loss on sale of asset	**-**	(2,097)	**-**	(2,097)
Gain (Loss) on marketable securities	**(25,937)**	20,288	**(864)**	20,288
NET INCOME (LOSS) FOR THE PERIOD	**843,947**	(9,992)	**914,907**	6,197
OTHER COMPREHENSIVE INCOME (LOSS)				
Cumulative translation gain (loss)	**17,335**	(9,337)	**18,900**	7,727
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 861,282**	$ (19,329)	**$ 933,807**	$ 13,924
Basic and diluted income (loss) per share	**$ 0.03**	(0.00)	**$ 0.03**	$ 0.00
Weighted average number of common shares – basic and diluted	**24,463,928**	20,020,000	**26,485,878**	20,020,000

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

MAGNA RESOURCES LTD.
An exploration stage enterprise
Condensed consolidated interim statement of cash flows
(Expressed in Canadian Dollars - unaudited)

	Six months ended January 31, 2012	Six months ended January 31, 2011
CASH PROVIDED BY (USED IN):		
Operating activities:		
Net profit (loss) for the period	**$ 843,947**	$ (9,992)
Items not involving cash:		
Gain on remeasurement of subsidiary	**(1,001,754)**	-
Loss on disposal of short-term investment	**25,390**	106,382
Deferred income tax recovery	**(9,953)**	-
Changes in non-cash operating working capital:		
Increase in receivables	**(11,323)**	(2,926)
Increase in prepaid expenses	**(5,019)**	(15,832)
Increase in due to related parties	**60,590**	-
Increase in accounts payable and accrued liabilities	**30,951**	7,661
Net cash used in operating activities	**(67,171)**	(21,089)
Investing activities:		
Cash acquired on acquisition of subsidiary	**1,884**	-
Sale of marketable securities	**86,370**	-
Exploration and evaluation assets and intangible assets	**(57,807)**	(25,414)
Purchase of short-term investment	**(1,800,710)**	-
Net cash used in investing activities	**(1,770,263)**	(25,414)
Financing activities		
Shares issued for cash	**2,000,000**	-
Net cash provided by financing activities	**2,000,000**	-
Net change in cash and cash equivalents	**162,566**	(47,881)
Effect of exchange rate on cash	**3,685**	(1,378)
Cash and cash equivalents, beginning of period	**34,250**	58,311
Cash and cash equivalents, end of period	**$ 200,501**	$ 10,430

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

MAGNA RESOURCES LTD.
An exploration stage enterprise
Condensed consolidated interim statement of changes in shareholders' equity
(Expressed in Canadian Dollars - unaudited)

	Common shares			Accumulated Other Comprehensive		
	Number	Amount	Reserves	Loss	Deficit	Total
Balance, August 1, 2010	20,020,000	$ 1,220,052	$ 225,103	$ -	$ (1,258,745)	$ 186,410
Net income (loss) for the period	-	-	-	-	(9,992)	(9,992)
Translation adjustment on foreign operations	-	-	-	(9,337)	-	(9,337)
Balance, January 31, 2011	20,020,000	1,220,052	225,103	(9,337)	(1,268,737)	167,081
Shares issued for cash @ $0.16/share	2,400,000	192,000	-	-	-	192,000
Share issuance costs	-	(89,091)	-	-	-	(89,091)
Warrants	-	-	89,091	-	-	89,091
Net income (loss) for the period	-	-	-	-	13,518	13,518
Translation adjustment on foreign operations	-	-	-	(9,089)	-	(9,089)
Balance, July 31, 2011	22,420,000	1,322,961	314,194	(18,426)	(1,255,219)	363,510
Shares issued per Purchase Agreement	22,420,000	1,299,200	-	-	-	1,299,200
Shares issued for cash @ $0.30/share	6,666,666	2,000,000	-	-	-	2,000,000
Warrants	-	-	327,600	-	-	327,600
Net income (loss) for the period	-	-	-	-	843,947	843,947
Translation adjustment on foreign operations	-	-	-	17,335	-	17,335
Balance January 31, 2012	**51,506,666**	**$ 4,622,161**	**$ 641,794**	**$ (1,091)**	**$ (411,272)**	**4,851,592**

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

1. Nature of operations

The Company was incorporated on June 5, 2006 under the laws of British Columbia and is listed on the Canadian National Stock Exchange ("CNSX") under the symbol "MNA". The Company's principal business activity is the acquisition and exploration of mineral properties.

The head office and principal address of the Company is located at 221 Union Street, Suite 219, Vancouver, British Columbia, Canada, V6A 0B4. The Company's registered and records office address is 1066 West Hastings Street, Suite 2610, Vancouver, British Columbia, Canada, V6E 3X1.

2. Significant accounting policies and basis of preparation

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in Part I of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards, and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company reports on this basis in these interim consolidated financial statements. In the financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting and IFRS 1 First-time adoption of International Financial Reporting ("IFRS 1"). The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 14 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended July 31, 2011.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of March 30, 2012, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending July 31, 2012 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed consolidated interim financial statements should be read in conjunction with the Company's Canadian GAAP annual audited financial statements for the year ended July 31, 2011 and the explanation of how the transition to IFRS has affected the reported consolidated balance sheets, statements of operations and cash flows of the Company provided in Note 14.

Basis of preparation

The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are on historical costs basis, except for certain financial instruments which are measured at fair value. The condensed consolidated financial interim statements are presented in Canadian dollars unless otherwise noted.

2. Significant accounting policies and basis of preparation (cont'd)

Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

		Percentage owned*	
	Country of incorporation	January 31, 2012	January 31, 2011
American Potash LLC	U.S.	100%	50%

*Percentage of voting power is in proportion to ownership.

All inter-company balances, transactions and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets and fair value measurements for financial instruments and share-based payments and other equity-based payments. Actual results may differ from those estimates and judgments.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below:

Foreign currency translation

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The condensed consolidated interim financial statements are presented in Canadian dollars which is the parent company's functional currency. The functional currency of the Company is Canadian dollars and the functional currency of its controlled entity is US dollars.

<u>Transactions and balances:</u>

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-

2. Significant accounting policies and basis of preparation (cont'd)

monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of loss in the period in which they arise.

The financial statements of entities that have a functional currency different from that of the parent Company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as cumulative translation adjustments.

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment when events and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using a Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

Financial Assets

Financial assets are classified based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. There are no financial assets designated as fair value through profit or loss ("FVTPL"), held to maturity, or available for sale. The Company's accounting policy for the remaining category is as follows:

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. The Company has no financial liabilities designated upon initial recognition as at FVTPL, or held for trading.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade payable amounts are unsecured and are usually paid within 30 days of recognition.

The Company has classified its cash and cash equivalents, accounts and other receivables and reclamation bonds as loans and receivables. Trade payables and accrued liabilities are classified as other financial liabilities.

Impairment of long lived assets

Long lived assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss.

2. **Significant accounting policies and basis of preparation** (cont'd)

The recoverable amount is the greater of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and, other highly liquid investments with original maturities up to one year that can be redeemed at any time without penalty.

Income tax

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income taxes is not recognized for temporary differences related to the initial recognition of the assets or liabilities that affect neither accounting nor taxable profit nor investments in subsidiaries, associates and interests in joint ventures to the extent it is probable that they will not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner and expected date of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred income tax asset is recognized only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilized.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from the exercise of such instruments were used to acquire common shares at the average market price during the reporting period.

2. Significant accounting policies and basis of preparation (cont'd)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

Accounting standards issued but not yet effective

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRS 10 "Consolidated Financial Statements"

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

IFRS 11 "Joint Arrangements "

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

2. Significant accounting policies and basis of preparation (cont'd)

IFRS 12 "Disclosure of Involvements with Other Entities"

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

IFRS 13 "Fair Value Measurement"

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

3. Short-term Investments

Short-term investments consist of a short-term deposit. As at January 31, 2012, the Company has a short-term deposit of $1,800,000 and $710 of accrued interest, due on January 18, 2013 with an annual yield of prime minus 1.8% (July 31, 2011 - $Nil).

4. Business acquisition

On November 21, 2011, the Company and Confederation signed a purchase and sale agreement in respect of the acquisition of the remaining 50% interest in American Potash previously held by Confederation ("Purchase and Sale Transaction"). Under the terms of the agreement the Company also completed a 2 for 1 subdivision of its outstanding common shares, resulting in the Company having 22,420,000 common shares being issued and outstanding immediately prior to closing of the Purchase and Sale Transaction. When combined with the Company's previously held 50% interest in American Potash, American Potash became a wholly-owned subsidiary of the Company.

In consideration for Confederation's 50% interest in American Potash, the Company issued 22,420,000 common shares of the Company (the "Consideration Shares") to Confederation using a deemed value of $0.20 per share and 2,400,000 common share purchase warrants to exactly match the number of issued and outstanding securities of the Company immediately prior to closing of the Purchase and Sale Transaction. Each warrant entitles Confederation to purchase a further common share at a price of $0.10 until February 25, 2016. Under IFRS 3, the considerations transferred were measured using the acquisition-date fair value. As a result, a discount from the deemed value of $0.20 per share has been applied due to a lack of marketability of the Consideration Shares held as a block in the hands of Confederation which resulted in the fair value of the Consideration Shares at $0.06 being assigned per share.

The reassessment at fair value of the previously held interest in American Potash gave rise to a gain of $1,001,754 that was recognized in the statements of operations and comprehensive loss under "Gain on business combination

4. **Business acquisition** (cont'd)

achieved in stage". The fair value of the previously held 50% interest was set at $1,328,805, being the same value as the 50% interest of American Potash acquired.

On January 19, 2012, the Purchase and Sale transaction was completed. As a result of the Purchase and Sale Transaction, the Company holds a 100% interest in American Potash. American Potash holds potash leases and an option in respect of potash lease applications in the State of Utah.

The Purchase and Sale Transaction was accounted for using the acquisition method with operating results included in the Company's statements of operations and comprehensive loss from the date of acquisition in accordance with IFRS 3, Business Combination and the Company is considered to be the accounting acquirer. The purchase price allocation is as follows:

Consideration	$
Fair value of 50% interest in American Potash	1,328,805
Fair Value of Net Asset Acquired	
Cash	1,884
Prepaid	5,047
Trade and other payables	(74,220)
Exploration and evaluation costs	1,234,689
Intangiable assets	161,405
	1,328,805

Acquisition related cost of $52,975 is reported as legal expenses in the consolidated statements of operation and comprehensive loss.

In addition to the above transaction, Confederation subscribed for 6,666,666 common shares of the Company at $0.30 per share for gross proceeds of $2,000,000. As at January 31, 2012, the Company has an aggregate of 51,506,666 common shares and 4,800,000 common share purchase warrants exercisable at $0.10 per share issued and outstanding (on a non-diluted basis) and Confederation holds 56.47% of the shares and 50% of the warrants in the Company.

5. **Cash and cash equivalents**

Cash and cash equivalents include guaranteed investment certificates with a term to maturity of one year from date of acquisition. They can be redeemed at any time without penalty. These investments are initially recorded at fair market value and are classified as loans and receivables.

6. **Mineral properties and marketable securities**

Green River Potash Project
Utah potash prospects
American Potash holds an option agreement with Sweetwater River Resources LLC ("Sweetwater"), John Glasscock and Kent Ausburn (the "Sweetwater Option Agreement") (collectively called the "Optionors"), to acquire pending applications to the United States Bureau of Land Management ("BLM") for Utah property for exploration permits,

together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah.

Under the Sweetwater Option Agreement, American Potash possesses exclusive priority application rights for 31 potash exploration permits covering approximately 25,495 hectares (63,000 acres) (255 sq. km.) of land in the Paradox Basin, Utah (the "Green River Potash Project"). 9,729 hectares (24,040 acres) (97 sq. km.) of the total 25,495 hectares are within a proposed Known Potash Lease Area ("KPLA"), which may become available only under a separate competitive bidding process. KPLA boundaries are currently under review and until such time that they are defined, the size of the final area of interest remains uncertain.

The Sweetwater Option Agreement entitles American Potash to acquire a 100% interest in permits, subject to a 2% royalty to the Optionors which may be bought back for $2,000,000 USD. The option may be exercised by having Confederation and the Company each to pay a total of $270,000 USD and each to issue in aggregate, 4,000,000 shares to the Optionors upon receiving grant of permits for Utah property of not less than 25,000 acres (the "Grant Date"). The Company's payment and share issuance obligations under the agreement are as follow:

- $70,000 USD upon signing the option agreement (paid);
- 400,000 common shares of the Company on the Grant Date;
- $50,000 USD cash and 1,200,000 common shares of the Company on or before the first anniversary of the Grant Date;
- $50,000 USD cash and 1,200,000 common shares of the Company on or before the second anniversary of the Grant Date;
- $50,000 USD cash and 1,200,000 common shares of the Company on or before the third anniversary of the Grant Date; and
- $50,000 USD cash on or before the fourth anniversary of the Grant Date.

The option period is the earlier of the fourth anniversary of the Grant Date or December 31, 2018.

The Company will pay a finder's fee in connection with this acquisition. The fee will be US $7,000 and 40,000 common shares of the Company, payable on the Grant Date, and thereafter 10% of the cash and stock payments made under the option agreement, payable as and when such payments are made.

In addition, American Potash has eleven non-contiguous Utah State trust land potash lease units in the potash-bearing Paradox Basin in Grand County, Utah. The eleven lease units total 2,853 hectares (7,050 acres) and are all within the border of a large block of contiguous BLM potash prospecting permit applications held exclusively by American Potash, separated into contiguous north and south blocks by a proposed BLM Known Potash Lease Area.

Potassium prospects

American Potash LLC has submitted Potassium Prospecting Applications in respect of an additional 912 hectares (2,253.95 acres) of BLM land contiguous to its existing applications in Utah.

6. Mineral properties and marketable securities (cont'd)

Lithium placer mining claims

In July, 2011 American Potash acquired 160 Federal lithium placer mining claims totally 1,295 hectares (3,200 acres) in northwestern Paradox Basin, southeast Utah, USA. These claims are located on BLM administered Federal lands and are staked over a portion of existing American Potash BLM pending potash prospecting permit areas.

In August, 2011, the Company acquired 46.7 line-km (28 line-miles) of historic 2-D seismic data covering the approximate area of three proposed and three historic exploration well locations at its Green River Potash Project in the Paradox Basin of southeast Utah.

Property Expenditures

	Green River Potash
	$
Mineral acquisition	
Opening balance, July 31,2010	84,303
Cash payments	31,212
	115,515
Deferred exploration expenditures	
Opening balance, July 31, 2010	14,392
Geological surveys	11,525
Geological consulting	31,298
	57,215
Total as at July 31, 2011	172,730
Mineral acquisition	
Cash payments	18,830
Deferred exploration expenditures	
Bonding	2,321
Geological surveys	6,036
Geological consulting	53,180
	61,537
Reassessment exploration and evaluation asset through business acquisition (Note 5)	2,534,437
Total as at January 31, 2012	2,787,534

Marketable securities

During the year ended July 31, 2011 the Company received as consideration a 50% proportionate interest in 353,450 common shares of Passport Potash Inc., pursuant to an amendment of the Sweetwater Option Agreement dated November 2, 2010 for a total of $91,897. During the six months ended January 31, 2012, all the shares were redeemed for net proceeds of $172,084. The Company's share, net of commission and foreign exchange (50%) was $86,042. At July 31, 2011, the market value of 50% of the 353,450 common shares of Passport Potash Inc., being 176,725 shares held by the Company, was $106,382 (2010 - $Nil). During the six months ended January 31, 2012, the Company recorded a loss on disposition of the shares of $25,937.

7. Share capital

Authorized

Unlimited common shares without par value

Issued and outstanding

At January 31, 2012 there were 51,506,666 issued and fully paid common shares (July 31, 2011 – 22,420,000).

During the period ended January 31, 2012, The Company and Confederation signed a Purchase Agreement in respect of the acquisition by the Company of Confederation's 50% interest in American Potash.

On January 19, 2012, the Company issued 22,420,000 common shares of the Company at the fair value of $0.20 and 2,400,000 common share purchase warrants to Confederation. Each Warrant entitles Confederation to purchase a further common share at a price of $0.10 until February 25, 2016 (Also see note 5).

Concurrent with the purchase, Confederation subscribed for 6,666,666 common shares of the Company at $0.30 per share for gross proceeds to the Company of $2,000,000.

Share purchase warrants

In January 2012, the Company issued 2,400,000 common share purchase warrants pursuant to the Purchase Agreement with Confederation. Each warrant entitles Confederation to purchase a further common share at a price of $0.10 until February 25, 2016. The fair value of these warrants was calculated using the Black-Scholes option pricing model. The warrants were valued at fair value of $327,600 where the exercise price is equal to the market price at the date of grant and the fair value of each warrant granted, assuming a risk-free interest rate of 1.25%, a dividend yield of nil, an expected volatility of 100.01% and an average expected life of 2 years.

The continuity of warrants for the period ended January 31, 2012 is as follows:

	Number of Warrants	**Weighted Average Exercise Price ($)**
Balance, July 31, 2010	-	-
Issued, exercisable on or before February 25, 2016	2,400,000	0.10
Balance, July 31, 2011	**2,400,000**	**0.10**
Issued, exercisable on or before February 25, 2016	2,400,000	0.10
Balance, January 31, 2012	**4,800,000**	**0.10**

7. Share capital (cont'd)

Stock options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

Exercise price	Number of options	Expiry date
$ 0.125	1,715,000	June 8, 2014

8. Reserves

Stock option reserve

The stock option reserve records items recognized as share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant reserve

The warrant reserve records items recognized as part of a unit financing until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. Related party transactions

The following directors and/or senior officers transacted with the Company in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	Six months ended January 31,	
Paid	**2012**	**2011**
St. Cloud Mining – Consulting fees	$ 30,000	$ -
St. Cloud Mining – payable from Fiscal 2009	25,000	-
Alexander Peck – Consulting fees	3,500	-
	$ 58,500	$ -

Payable As At	**January 31, 2011**	**July 31, 2011**
St. Cloud Mining – Consulting Fees	$ -	$ 30,600
Global Mining Services – Consulting Fees	2,567	-
Confederation Minerals Ltd.	60,235	-
	$ 62,802	$ 30,600

A director of the Company is a party to the Sweetwater Option Agreement with American Potash LLC.

10. Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company includes equity, comprised of issued share capital, reserves and deficit in the definition of capital. The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, acquire or dispose of assets or adjust the amount of cash.

The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable growth. The Company is not subject to externally imposed capital requirements. There has been no change with respect to capital risk management strategy during the six months ended January 31, 2012.

11. Financial instruments and risk factors

The Company classifies its cash and cash equivalents as financial assets at fair value through profit or loss and accounts payable and accrued liabilities as other financial liabilities.

The fair value of accounts payable and accrued liabilities approximate their carrying value due to the short-term nature of these liabilities.

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 7 – *Financial Instruments – Disclosures*.

> Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets. The Company's cash and cash equivalents are measured as level 1 inputs.
>
> Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3 – Significant unobservable inputs which are supported by little or no market activity.

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents which are held in large Canadian financial institutions. The Company believes this credit risk is insignificant.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2012, the Company had cash and cash equivalent balance of $200,501 (July

11. Financial instruments and risk factors (cont'd)

31, 2011 - $34,250) to settle current liabilities of $289,557 (July 31, 2011 - $60,764). In general, the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company believes it has no significant interest rate risk.

12. Commitments

See Note 6.

13. Geographic information

The Company's activities are all in one industry segment of mineral property acquisition and exploration. The Company's mining operations are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis. All of the Company's resource properties are located in the United States. The Company's assets are located in the following geographic locations:

As at	January 31, 2012	July 31, 2011
Total assets:		
Canada	$ 1,899,817	$ 33,764
United States	3,241,332	398,253
	$ 5,141,149	$ 432,017

14. Transition to international financial reporting standards

The accounting policies in Note 2 have been applied in preparing the condensed consolidated interim financial statements for the three and six months ended January 31, 2012, the comparative information for the three and six months ended January 31, 2011 and the financial statements for the year ended July 31, 2011.

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on comparative information for the three and six months ended January 31, 2011 and financial statements for the year ended July 31, 2011, previously reported in accordance with Canadian GAAP.

In preparing the Company's IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-transition Canadian GAAP.

i) Optional exemptions

Foreign currency translation
IFRS 1 allows a first-time adopter to not comply with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates" for cumulative foreign currency translation differences that existed at the date of transition to

14. **Transition to international financial reporting standards** (cont'd)

IFRS. The Company has chosen to apply this election and has eliminated the cumulative foreign currency translation difference and adjusted deficit by the same.

ii) Mandatory exceptions

Estimates
The estimates previously made by the Company under pre-transition Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise those estimates.

IFRS 1 requires an entity to reconcile equity, comprehensive loss and cash flows for prior periods upon transition. No reconciliation of the statement of cash flows has been prepared as there have been no material adjustments to the net cash flows.

Reconciliations of Pre-transition Canadian GAAP statement of financial position to IFRS

Below is the reconciliation between Canadian GAAP and IFRS equity as at January 31, 2011 and July 31, 2011.

		January 31 2011		July 31 2011
Mineral properties under Canadian GAAP	$	162,514	$	291,070
IFRS adjustments				
Currency translation adjustment (note i)		-		(18,426)
Mineral properties under IFRS	$	162,514	$	272,644

Reconciliations of Pre-transition Canadian GAAP Equity to IFRS

Below is the reconciliation between Canadian GAAP and IFRS equity as at January 31, 2011 and July 31, 2011.

		January 31 2011		July 31 2011
Equity under Canadian GAAP	$	176,418	$	381,936
IFRS adjustments				
Currency translation adjustment (note i)		(9,337)		(18,426)
Equity under IFRS	$	167,081	$	363,510

14. **Transition to international financial reporting standards** (cont'd)

Reconciliation of Pre-transition Canadian GAAP Comprehensive Loss to IFRS

Below is the reconciliation of Comprehensive Loss for the three and six months ended January 31, 2011 and year ended July 31, 2011:

	Year ended July 31, 2011	Six months ended January 31, 2011
Comprehensive income (loss) under Canadian GAAP	$	$ (9
Increase (decrease) in statement of operations (note i)	-	-
IFRS adjustments		
Cumulative translation gain (loss) (note i)	(18,426)	(9,337)
Total comprehensive loss reported under IFRS	$ (14,900)	$ (19,

Explanatory notes

The following paragraphs explain the significant differences between Canadian GAAP and the current IFRS accounting policies applied by the Company. These differences result in the adjustments in the tables above.

(i) Adjustment on translation of foreign currency entity

Under Canadian GAAP, all the Company's subsidiaries were integrated foreign operations. Therefore, monetary items were translated at year-end rates and non-monetary items were translated at historic rates with all foreign currency gains and losses recognized in statement of operations. IFRS requires that the functional currency of each subsidiary of the Company be determined separately. It was determined that, as at the transition date, the functional currency of the Company is Canadian dollars and the functional currency of its joint venture is USD.

In accordance with the IFRS 1 optional exemptions, the Company elected to transfer the currency translation differences recognized as a separate component of equity, to deficit.

The net impact of this change in policy was as follows:

- At January 31, 2011, a cumulative charge of $9,337 to other comprehensive income.

- At July 31, 2011, a decrease to mineral property interests of $18,426 and a cumulative charge of $18,426 to other comprehensive income.

14. Transition to international financial reporting standards (cont'd)

Changes to accounting policies

The Company has changed certain accounting policies to be consistent with IFRS, however, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

a) Impairment of (non-financial) assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimate future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on the unaudited condensed interim financial statements.

b) Presentation

Certain amounts on the unaudited condensed consolidated statement of financial position, statement of loss and comprehensive loss and statement of cash flows have been reclassified to conform to the presentation adopted under IFRS.

15. Subsequent events

a) In February, 2012, the Company granted 3,285,000 stock options to directors, officers and consultants of the Company exercisable at $0.40 per share for a term of five years.

b) American Potash has received final approval from the State of Utah to commence drilling on one of its State leases which is part of the Green River Potash Project in Utah's Paradox Basin. The first hole, "Duma Point" is to be drilled targeting the Cycle 5 potash zone in Section 2, Township 24 South and Range 17 East, Grand County, Utah.

SCHEDULE "B"

MAGNA RESOURCES LTD.

Amended and Restated
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the six months ended January 31, 2012

MAGNA RESOURCES LTD.
(An exploration stage enterprise)

1. Management's Discussion and Analysis

The following discussion and analysis, prepared as of March 30, 2012, and as amended January 24, 2013 (refer to cover letter filed on SEDAR January 24, 2013), should be read in conjunction with the Company's condensed consolidated interim financial statements and notes for the period ended January 31, 2012 and the audited condensed consolidated financial statements and accompanying notes for the year ended July 31, 2011. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34 "Interim Financial Reporting" and all amounts are expressed in Canadian dollars unless otherwise stated.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's "forecast", "estimate", "expect" and similar expressions, as they relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Overview

The Company was incorporated on June 5, 2006 under the laws of British Columbia and is listed on the Canadian National Stock Exchange ("CNSX") under the symbol "MNA". The Company is dedicated to the acquisition and development of potash mineral deposits in the United States and elsewhere. American Potash LLC ("*American Potash*"), a Nevada corporation wholly owned by the Company, owns and operates the Green River Potash Project in Utah. American Potash's area of interest covers key land positions in known potash-bearing sedimentary cycles in Utah.

The head office and principal address of the Company is located at 221 Union Street, Suite 219, Vancouver, British Columbia, Canada, V6A 0B4. The Company's registered and records office address is 1066 West Hastings Street, Suite 2610, Vancouver, British Columbia, Canada, V6E 3X1.

To date the Company has not yet generated revenues from its operations and is considered to be in the exploration stage.

Additional information relating to the Company and other regulatory filings can be found on the SEDAR website at www.sedar.com.

1.1 Date of Report

March 30, 2012 and as amended January 24, 2013 (refer to cover letter filed on SEDAR dated January 24, 2013).

1.2 Overall Performance

On November 21, 2011, the Company and Confederation signed a purchase and sale agreement in respect of the acquisition of the remaining 50% interest in American Potash previously held by Confederation ("Purchase and Sale Transaction"). Under the terms of the agreement the Company also completed a 2 for 1 subdivision of its outstanding common shares, resulting in the Company having 22,420,000 common shares being issued and outstanding immediately prior to closing of the Purchase and Sale Transaction. When combined with the Company's previously held 50% interest in American Potash, American Potash became a wholly-owned subsidiary of the Company.

In consideration for Confederation's 50% interest in American Potash, the Company issued 22,420,000 common shares of the Company (the "Consideration Shares") to Confederation using a deemed value of $0.20 per share and 2,400,000 common share purchase warrants to exactly match the number of issued and outstanding securities of the Company immediately prior to closing of the Purchase and Sale Transaction. Each warrant entitles Confederation to purchase a further common share at a price of $0.10 until February 25, 2016. Under IFRS 3, the considerations transferred were measured using the acquisition-date fair value. As a result, a discount from the deemed value of $0.20 per share has been applied due to a lack of marketability of the Consideration Shares held as a block in the hands of Confederation which resulted in the fair value of the Consideration Shares at $0.06 being assigned per share.

The reassessment at fair value of the previously held interest in American Potash gave rise to a gain of $1,001,754 that was recognized in the statements of operations and comprehensive loss under "Gain on business combination achieved in stage". The fair value of the previously held 50% interest was set at $1,328,805, being the same value as the 50% interest of American Potash acquired.

On January 19, 2012, the Purchase and Sale transaction was completed. As a result of the Purchase and Sale Transaction, the Company holds a 100% interest in American Potash. American Potash holds potash leases and an option in respect of potash lease applications in the State of Utah.

The Purchase and Sale Transaction was accounted for using the acquisition method with operating results included in the Company's statements of operations and comprehensive loss from the date of acquisition in accordance with IFRS 3, Business Combination and the Company is considered to be the accounting acquirer. The purchase price allocation is as follows:

Consideration	$
Fair value of 50% interest in American Potash	1,328,805
Fair Value of Net Asset Acquired	
Cash	1,884
Prepaid	5,047
Trade and other payables	(74,220)
Exploration and evaluation costs	1,234,689
Intangible assets	161,405
	1,328,805

Acquisition related cost of $52,975 is reported as legal expenses in the consolidated statements of operation and comprehensive loss.

In addition to the above transaction, Confederation subscribed for 6,666,666 common shares of the Company at $0.30 per share for gross proceeds of $2,000,000. As at January 31, 2012, the Company has an aggregate of 51,506,666 common shares and 4,800,000 common share purchase warrants exercisable at $0.10 per share issued and outstanding (on a non-diluted basis) and Confederation holds 56.47% of the shares and 50% of the warrants in the Company.

In February, 2012, the Company granted 3,285,000 stock options to directors, officers and consultants of the Company exercisable at $0.40 per share for a term of five years.

The Company has appointed a new President, Mike Sieb. Rudy de Jonge is stepping down as president but remains as chief executive officer.

1.3 Marketable Securities and Property Information

Green River Potash Project

Utah potash prospects

American Potash holds an option agreement with Sweetwater, John Glasscock and Kent Ausburn (the “Sweetwater Option Agreement”) (collectively called the “Optionors”), to acquire pending applications to the United States Bureau of Land Management (“BLM”) for Utah property for exploration permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah.

Under the Sweetwater Option Agreement, American Potash possesses exclusive priority application rights for 31 potash exploration permits covering approximately 25,495 hectares (63,000 acres) (255 sq. km.) of land in the Paradox Basin, Utah. 9,729 hectares (24,040 acres) (97 sq. km.) of the total 25,495 hectares are within a proposed Known Potash Lease Area (“KPLA”), which may become available only under a separate competitive bidding process. KPLA boundaries are currently under review and until such time that they are defined, the size of the final area of interest remains uncertain.

The Sweetwater Option Agreement entitles American Potash to acquire a 100% interest in permits, subject to a 2% royalty to the Optionors which may be bought back for $2,000,000 USD. The option may be exercised by having Confederation and the Company each to pay a total of $270,000 USD and each to issue in aggregate, 4,000,000 shares to the Optionors upon receiving grant of permits for Utah property of not less than 25,000 acres (the “Grant Date”). The Company’s payment and share issuance obligations under the agreement are as follow:

- $70,000 USD upon signing the option agreement (paid);
- 400,000 common shares of the Company on the Grant Date;
- $50,000 USD cash and 1,200,000 common shares of the Company on or before the first anniversary of the Grant Date;

- $50,000 USD cash and 1,200,000 common shares of the Company on or before the second anniversary of the Grant Date;
- $50,000 USD cash and 1,200,000 common shares of the Company on or before the third anniversary of the Grant Date; and
- $50,000 USD cash on or before the fourth anniversary of the Grant Date.

The option period is the earlier of the fourth anniversary of the Grant Date or December 31, 2018.

The Company will pay a finder's fee in connection with this acquisition. The fee will be US $7,000 and 40,000 common shares of the Company, payable on the Grant Date, and thereafter 10% of the cash and stock payments made under the option agreement, payable as and when such payments are made.

In addition, American Potash has eleven non-contiguous Utah State trust land potash lease units in the potash-bearing Paradox Basin in Grand County, Utah. The eleven lease units total 2,853 hectares (7,050 acres) and are all within the border of a large block of contiguous BLM potash prospecting permit applications held exclusively by American Potash, separated into contiguous north and south blocks by a proposed BLM Known Potash Lease Area.

American Potash has received final approval from the State of Utah to commence drilling on one of its State leases which is part of the Green River Potash Project in Utah's Paradox Basin. The first hole, "Duma Point" is to be drilled targeting the Cycle 5 potash zone in Section 2, Township 24 South and Range 17 East, Grand County, Utah. Two additional drilling permits on State leases are pending and expected shortly.

Potassium prospects
American Potash has submitted Potassium Prospecting Applications in respect of 2,253.95 acres of BLM land contiguous to its existing applications in Utah.

Lithium placer mining claims
In July, 2011 American Potash acquired 160 Federal lithium placer mining claims totaling 3,200 acres in northwestern Paradox Basin, southeast Utah, USA. These claims are located on BLM administered Federal lands and are staked over a portion of existing American Potash BLM pending potash prospecting permit areas.

In August, 2011, the Company acquired 28 line-miles (46.7 line-km) of historic 2-D seismic data covering the approximate area of three proposed and three historic exploration well locations at its Green River Potash Project in the Paradox Basin of southeast Utah.

Property Expenditures

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Total as at July 31, 2011	172,730
Mineral acquisition	
Cash payments	18,830
Deferred exploration expenditures	
Bonding	2,321
Geological surveys	6,036
Geological consulting	53,180
	61,537
Reassessment exploration and evaluation asset through business acquisition*	2,534,437
Total as at January 31, 2012	2,787,534

*See Item 1.2 *"Overall Performance*"

Marketable securities

During the year ended July 31, 2011 the Company received as consideration a 50% proportionate interest in 353,450 common shares of Passport, pursuant to an amendment of the Sweetwater Option Agreement dated November 12, 2010 for a total of $91,897. During the six months ended January 31, 2012, all the shares were redeemed for net proceeds of $172,084. The Company's share, net of commission and foreign exchange (50%) was $86,042. At July 31, 2011, the market value of 50% of the 353,450 common shares of Passport Potash Inc., being 176,725 shares held by the Company, was $106,382 (2010 - $Nil). During the six months ended January 31, 2012, the Company recorded a loss on disposition of the shares of $25,937.

1.4 Results of Operations

The balance sheet as of January 31, 2012 indicates a cash position of $200,501 (July 31, 2011 - $34,250). The Company has other current assets of short-term investments of $1,800,710 (July 31, 2011 - $Nil), HST receivables of $19,555 (July 31, 2011 - $8,232), other receivables of $1,768 (July 31, 2011 – $2,766), prepaid expenses of $10,038 ((July 31, 2011 - $Nil) and marketable securities of $Nil (July 31, 2011 - $106,382). The increase in cash was mainly a result of a private placement for 6,666,666 common shares at a price of $0.30 per share, totalling $2,000,000.

Other assets consist of website development of $Nil (July 31, 2011 - $4,633) and mineral properties of $4,932,591 (July 31, 2011 - $275,754). See Item 1.2 *Overall Performance* for details on the increase in mineral properties.

Current liabilities at January 31, 2012 total $289,557 (July 31, 2011 – $60,764), comprising fees payable to a director of the Company of $Nil (July 31, 2011 - $30,600), mineral property related expenses of $169,734 (July 31, 2011 - $16,081), accounting fees of $1,534 (July 31, 2011 - $Nil), legal fees of $48,679 (July 31, 2011 - $2,981), general trade payables of $297 (July 31, 2011 - $1,730), consulting fees of $9,078 (July 31, 2011 - $Nil), and due to a related party (Confederation Minerals Ltd.) $60,235 July 31, 2011 - $Nil).

Shareholders' equity at January 31, 2012 is comprised of share capital of $4,622,161 (July 31, 2011 - $1,322,961), reserves of $641,794 (July 31, 2011 - $314,194), accumulated other comprehensive income of $(1,091) (July 31, 2011 - $(18,426) and a deficit of $411,272 (July 31, 2011 - $1,255,219) for total shareholders' equity of $4,851,592 (July 31, 2011 - $363,510). The increase in share capital is explained in Item 1.2 *Overall Performance*.

At January 31, 2012 the Company has a working capital of $1,741,247 (July 31, 2011 - $90,866).

The Company's loss is reported under IFRS. The only significant impact from transition relates to the accounting for foreign currency translation as follows:

Under Canadian GAAP, all the Company's subsidiaries were integrated foreign operations. Therefore, monetary items were translated at year-end rates and non-monetary items were translated at historic rates with all foreign currency gains and losses recognized in statement of operations. IFRS requires that the functional currency of each subsidiary of the Company be determined separately. It was determined that, as at the transition date, the functional currency of the Company is Canadian dollars and the functional currency of its joint venture is USD.

In accordance with the IFRS 1 optional exemptions, on transition date the Company has elected to transfer the currency translation differences recognized as a separate component of equity, to deficit.

The net impact of this change in policy was as follows:

- At January 31, 2011, a cumulative charge of $9.337 to other comprehensive income.
- At July 31, 2011, a decrease to mineral property interests of $18,426 and a cumulative charge of $23,733

to other comprehensive income.

1.5 Selected Financial Information - Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last 8 completed fiscal quarters of the Company. The Company has chosen to present the table on the basis of Canadian Generally Accepted Accounting Principles (CGAAP), the standard in effect at the times of filing MD&A for all quarters through and including July 31, 2011. The information for the six months ended January 31, 2012 has been prepared under IFRS. Readers should realize that, accordingly, the information in the table below may not be strictly comparable, being based on two different sets of accounting standards.

	2012 (IFRS)		2011 (CGAAP)				2010 (CGAAP)	
	January	**October**	**July**	**April**	**January**	**October**	**July**	**April**
Net Sales/ Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit (Loss)	$914,907	$(70,960)	$(38,963)	$58,492	$64	$(11,434)	$(7,483)	$(7,728)
Basic and diluted Earnings (Loss) per share	$0.03	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)

1.6 Condensed consolidated results for the quarters ended January 31, 2012 and 2011 as reported under IFRS

Variance Analysis	**2012**	**2011**	**2012 vs 2011 Variance**
Operating expenses			
Amortization	$ (681)	$ -	$ (681)
Accounting and audit fees	13,470	4,286	9,184
Consulting fees	22,517	-	22,517
Filing and transfer agent fees	9,313	5,025	4,288
Interest and bank charges	79	10	69
Office and miscellaneous	1,472	492	980
Travel and meals	1,291	-	1,291
Legal fees	44,079	2,181	41,898
Dissemination, advertising and promotion	3,826	-	3,826
Net loss before other expenses	(95,366)	(11,994)	(83,372)
Other income (expenses)			
Interest income (expense)	(674)	-	(674)
FIT expense	10,057	-	10,057
Gain on business combination achieved in stage	1,001,754	-	1,001,754
Loss on sale of asset	-	(2,097)	2,097
Gain (loss) on marketable securities	(864)	20,288	(21,152)
Net income (loss) for the period	$ 914,907	$ 6,197	$ 908,710

The Company began paying management fees to a director of the Company effective June 1, 2011. The Company began paying consulting fees to an officer of the Company effective January 1, 2012. Increased legal fees, accounting and audit fees and filing and transfer agent fees relate to the sale of Confederation's 50% interest in American Potash to the Company (see Item 1.2 *Overall Performance*). The Company has expensed all costs related to the development of the Company's new website.

1.7 Liquidity & Capital Resources

The Company's cash balance is $200,501 and working capital is $1,741,427 at January 31, 2012 compared with a cash balance of $34,250 and working capital of $90,866 at July 31, 2011.

Cash used in operating activities during the period is $67,171 (January 31, 2011 - $21,089) comprising gain on remeasurement of subsidiary of $1,001,754 (January 31, 2011 - $Nil), loss on disposal of short-term investment of $25,390 (January 31, 2011 - $106,382), deferred income tax recovery of $9,953 (July 31, 2011 - $Nil), increase in receivables of $11,323 (January 31, 2011 - $2,926), increase in prepaid expenses of $5,019 (January 31, 2011 - $$15,832), increase in due to related parties of $60,590 (January 31, 2011 - $Nil) and increase in accounts payable and accrued liabilities of $30,951 (January 31, 1012 - $7,661).

Cash used in investing activities is $1,770,263 (January 31, 2011 - $25,414), comprised of cash acquired on acquisition of subsidiary of $1,884 (January 31, 2011 - $Nil), sale of marketable securities of $86,370 (January 31, 2011 - $Nil), exploration and evaluation assets and intangible assets of $57,807 (January 31, 2011 - $25,414 and purchase of short-term investment of $1,800,710 (January 31, 2011 - $Nil).

Cash provided by financing activities is $2,000,000 (January 31, 2011 –$Nil). During the period, the Company completed a private placement of 6,666,666 common shares at a price of $0.30 per share.

The Company will continue to require funds for ongoing exploration work on its properties as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over both the near or long term and none are presently contemplated other than as disclosed herein and /or over normal operating requirements.

1.8 Capital Resources

The Company's ability to explore and, if warranted, develop further properties will be dependent upon its ability to obtain significant additional financing to ensure a future in mining exploration and development. Should the Company not be able to obtain such financing, its ability to participate in the development of further properties may be lost. The Company has limited financial resources, will have limited cash flow from operations, and will be dependent for funds based on its ability to sell its common shares and share purchase warrants, primarily on a private placement basis, pursuant to the policies of the TSX Venture Exchange.

There can be no assurance that the Company will be able to engage in such financings in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors. If such a method of financing is employed by the Company it will result in increased dilution to the existing shareholders each time a private placement is conducted.

The Company has no assurance that additional funding will be available to it for the exploration and development of future projects. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of any projects with the possible loss of such properties.

1.9 Related Party Transactions

		Six months ended January 31,		
Paid		**2012**		**2011**
St. Cloud Mining – Consulting fees	$	30,000	$	-
St. Cloud Mining – payable from Fiscal 2009		25,000		-
Alexander Peck – Consulting fees		3,500		-
	$	58,500	$	-

Payable As At		**January 31, 2011**		**July 31, 2011**
St. Cloud Mining – Consulting Fees	$	-	$	30,600
Global Mining Services – Consulting Fees		2,567		-
Confederation Minerals Ltd.		60,235		-
	$	62,802	$	30,600

A director of the Company is a party to the Sweetwater Option Agreement with American Potash.

These transactions were in the normal course of operations.

1.10 Risks and Uncertainties

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

The following sets out the principal risks faced by the Company.

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

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

Commodity price risks. The Company's exploration projects seek mineral resources in Utah. While there have been price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target resources. An adverse change in the resource prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

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

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that price fluctuations and volatility will not continue to occur.

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

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

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

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

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

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

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

Grant of Permits. There is a risk that, for various potential political, environmental, or other reasons, the

BLM will not grant the exploration permits to American Potash. In that event, the BLM applications will hold no value.

1.11 Financial Instruments & Other Instruments

The Company's financial instruments consist of cash and cash equivalents, reclamation bonds, accounts payable and accrued liabilities and due to a related party. The Company has classified its cash and cash equivalents as held for trading, which is measured at fair value. Reclamation bonds are classified as held to maturity, which is measured at amortized cost. Accounts payable and accrued liabilities and due to a related party are classified as other financial liabilities, which are measured at amortized cost. As at January 31, 2012, the carrying and fair value amounts of the Company's financial instruments related to cash and cash equivalents, accounts payable and accrued liabilities and due to a related party are the same due to their short terms to maturity. The carrying values of reclamation bonds approximate their fair values. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of arms-length financial instruments approximates their carrying value due to their short-term maturity.

1.12 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

1.13 International Financial Reporting Standards – Accounting Policies

Effective January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date is August 1, 2010.

The Company identified three phases of conversion: initial diagnostic phase, Impact analysis, evaluation and solution development phase and Implementation and review phase. Post-implementation will continue in future periods, as outlined below.

The following outlines the Company's transition project, IFRS transitional impacts and the on-going impact of IFRS on the financial results. Note 13 to the interim condensed financial statements for the six months ended January 31, 2012 provides more detail on the key Canadian GAAP to IFRS difference, the accounting policy decisions and IFRS 1, First-Time Adoption of International Financial Reporting Standards, optional exemptions for significant or potentially significant areas that have had an impact on the financial statements on transition to IFRS or may have an impact in future periods.

Transitional Financial Impact

The tables below outline:

a) Adjustments to the Company's mineral properties and other assets on adoption of IFRS January 31, 2011 and July 31, 2011 for comparative purposes.

b) Adjustments to statement of equity on adoption of IFRS at January 31, 2011 and July 31, 2011 for comparative purposes.

c) Adjustments to the statement of comprehensive loss for the six months ended January 31, 2011 and the year ended July 31, 2011.

The following tables should be read in conjunction with the more detailed footnotes in the interim financial notes as referenced in the tables.

Reconciliations of Pre-transition Canadian GAAP statement of financial position to IFRS

Below is the reconciliation between Canadian GAAP and IFRS equity as January 31, 2011 and July 31, 2011.

Reconciliations of Pre-transition Canadian GAAP Equity to IFRS

		January 31 2010		July 31 2011
Mineral properties under Canadian GAAP	$	162,514	$	294,070
IFRS adjustments				
Currency translation adjustment (note i)		-		(18,426)
Mineral properties under IFRS	$	162,514	$	275,644

Below is the reconciliation between Canadian GAAP and IFRS equity as at January 31, 2011 and July 31, 2011.

		January 31 2011		July 31 2011
Equity under Canadian GAAP	$	178,149	$	381,936
IFRS adjustments				
Currency translation adjustment (note i)		(9,337)		(18,426)
Equity under IFRS	$	167,081	$	363,510

Reconciliation of Pre-transition Canadian GAAP Comprehensive Loss to IFRS

Below is the reconciliation of Comprehensive Loss for the six months ended January 31, 2011 and year ended July 31, 2011:

	Year ended July 31, 2011	Six months ended January 31, 2011
Comprehensive income (loss) under Canadian GAAP	$	$ (9
IFRS adjustments		
Cumulative translation gain (loss) (note i)	(18,426)	(9,337)
Total comprehensive loss reported under IFRS	$ (14,900)	$ (19,

Explanatory notes

Post-Implementation

The post-implementation phase will involve continuous monitoring of changes in IFRS in future periods. The Company notes that the standard-setting bodies that determine IFRS have significant ongoing projects that could impact the IFRS accounting policies that have been selected. In particular, there may be additional new or revised IFRSs or IFRICs in relation to financial instruments, hedge accounting, discontinued operations and leases. The Company has processes in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRSs and IFRIC Interpretations will be evaluated as they are drafted and published.

1.14 Other MD&A Requirements

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

The Company's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company.

An analysis of the material components of the Company's general and administrative expenses is disclosed in the interim condensed financial statements for the six months ending January 31, 2012.

Outstanding share data

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

As at March 30, 2012, the Company has 51,506,666 common shares without par value outstanding.

Common shares issued and outstanding as at January 31, 2012 are described in detail in Note 6 to the condensed consolidated interim financial statements for the six months ended January 31, 2012.

As at the date of this document, the Company had the following number of securities outstanding:

	Number of common shares	Number of options	Exercise price	Expiry date
Issued and outstanding	51,506,666	1,715,000	$0.125	June 8, 2014
		3,285,000	$0.40	February 2, 2017
		Number of warrants		
		4,800,000	$0.10	February 25, 2016