METALEX VENTURES LTD.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
Three and Nine Month Periods Ended January 31, 2012

The following Management Discussion and Analysis ("MD&A"), prepared as of April 2, 2012, of the results of operations and financial position of Metalex Ventures Ltd. (the "Company") for the three and nine month periods ended January 31, 2012 should be read together with the unaudited condensed consolidated interim financial statements for the three and nine month periods ended January 31, 2012 and related notes attached thereto, which are prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited consolidated financial statements for the years ended April 30, 2011 and April 30, 2010 and the MD&A for those years as well as the unaudited interim consolidated financial statements for the period ended January 31, 2011 along with the MD&A for that period.

Additional related information is available on the Company's website at www.metalexventures.com or on SEDAR at www.sedar.com.

Forward Looking Statements

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Description of Business

The Company's principal business activity is the acquisition, exploration and development of mineral properties and it is considered to be at the exploration stage. The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties, including acquisition costs and related exploration costs, in the financial statements is dependant on the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to discover and complete the development of those reserves and upon future profitable production. The Company trades on the TSX Venture Exchange under the symbol MTX.

The Company's areas of work are in the James Bay Lowlands area of Northern Ontario, where the company has a 100% interest in certain mineral claims ("Kyle Lake"); has a 62.5% interest in a joint venture with White Pine Resources Inc; and in the Attawapiskat area of Northern Ontario where the Company has a 83.9% contributing interest in the Big Red Diamond Joint Venture and a 82.5% contributing interest in the Dumont Joint Venture. In Wawa, Ontario the Company initially had the right to earn a 60% interest in certain claim units. The Company subsequently assigned 50% of its rights and obligations under the Wawa agreement to Dianor Resources Inc ("Dianor") and in return Dianor will pay 50% of the Company's costs pertaining to the agreement. In Quebec, the Company has a 33.3% contributing interest in diamond exploration and a 50% contributing interest in base metal exploration on various mineral claims. The Company also explores in Morocco, where it has completed preliminary exploration and has entered into a joint venture agreement for further exploration, and in Angola where it has certain rights for kimberlite diamond exploration. The Company has also conducted some exploration work and has additional mineral exploration licenses in the Republic of Mali.

The reader is referred to the relevant sections in this, and previous Management Discussion and Analysis for further details on these projects.

Performance Summary

The following is a summary of significant events and transactions that occurred during the three and nine month periods ended January 31, 2012:

Private Placements

There were no private placements completed during the period.

The reader is referred to the Management Discussion and Analysis for the years ended April 30, 2011 and April 30, 2010 for details of private placements made during those periods.

Mineral Properties

Mineral property expenditures, net of cost recoveries, incurred (paid or payable) during the period were as follows:

Attawapiskat, Ontario	$	9,073
James Bay, Quebec		102,313
Kyle Lake, Ontario		1,951,052
James Bay, Ontario		-
Wawa, Ontario		50,275
Mali		6,317
Angola		1,822,036
Morocco		1,322,343
Greenland		11,880
Total	$	5,275,289

Details of activities on the properties are provided in the following commentary:

Kyle Lake Property, Ontario

As at January 31, 2012, the Company has a 100% earned interest in certain mineral claims located in the Kyle Lake area of Ontario. These claims are subject to a 10% carried interest in favour of Kel-Ex Development Ltd. ("Kel-Ex").

The Kyle Lake area is located approximately 200 km west of James Bay in Northern Ontario and about 80 km west of the Company's Attawapiskat project and De Beers' Victor Mine.

The Company acquired, by staking, a 100% interest in certain mineral claims located in the Kyle Lake area then entered into an agreement effective June 30, 2004 to sell a 20% contributing interest in the property to Arctic Star Diamond Corp ("Arctic Star") for proceeds of $100,000, reimbursement of 20% of previous staking and exploration costs incurred on the property and an agreement to pay 20% of on-going exploration costs.

During 2005, Arctic Star advised the Company that it declined to contribute financially to exploration of the Kyle Lake project and the Company elected to increase its interest in the project by funding Arctic Star's contribution.

In September 2011, the Company acquired all of Arctic Star's remaining joint venture interests in the Company's Kyle Lake, James Bay Lowlands and Attawapiskat projects for a lump sum payment of $264,862.

In January 2012, the Company signed a letter agreement pursuant to which a private equity fund (the "Fund") managed by the Dundee Corporation group may acquire up to a 51% interest in the U2 and T1 kimberlite pipes through a four stage investment of up to $51 million and form a joint venture with Metalex to develop the project. Pursuant to the letter agreement, Dundee Corporation has advanced a $5 million interest free loan to Metalex which is to be used for preparatory work for the 10,000+ ton bulk sample. At the option of the Fund, this loan can be converted to Metalex shares or applied

towards the Second Right. If the loan is converted to Metalex shares within six months of signing this agreement it will be converted at $1.00 per share. Should the loan be converted after six months from the signing of this agreement it will be converted at $0.90 per share.

The Second Right investment of a minimum of $17.5 million (including the $5 million loan) shall be made by the Fund as required, if the Fund exercises its right within the later of one month after receipt by Metalex of the final permitting for the 10,000+ ton bulk sample and Metalex notifying of its proposal to commence undertaking the bulk sample. Should the Fund and Metalex agree on a budget of greater than $17.5 million, the Fund shall earn an additional 1% interest in the project for each $1 million spent over and above $17.5 million. Once payment is received, the Fund will hold a minimum of a 17.5% interest in the project and will have earned its Second Right and may undertake its Third Right.

Under the Third Right investment, the Fund will make a further payment as required to bring its total contribution to $40 million. This will bring the Fund's interest to 40% and must occur within four years of the earn-in agreement. Once the Fund has earned its Third Right it may undertake the Fourth Right. Under the Fourth Right investment of $11 million, the Fund will have earned a 51% interest in the project.

These funds are to be used to complete a feasibility study on the project and towards costs related to the project. If the feasibility study is positive, the Fund will use best commercial efforts for the joint venture to secure funding for the development of the mine to commercial production within four years.

Technical Rationale

The Kyle lake region is considered prospective for commercial diamond bearing kimberlite pipes as all five of the previously known kimberlite pipes in the area contain diamonds. This percentage (100%) of diamond bearing to non-diamond bearing kimberlite pipes is much higher than the global average of 14% and indicates that this part of the Superior craton is extremely fertile for diamonds. The kimberlites are spread over a north – south distance of more than 100 km and, based on empirical observation of kimberlite fields elsewhere, this indicates potential for discovery of additional diamond bearing kimberlites. The known kimberlites were discovered by drilling aeromagnetic anomalies and are overlain by a layer of Paleozoic sedimentary rocks.

Discovery of T1

In 2005, the Company drilled into a kimberlite called T1, at a vertical depth of 138.6 metres continuing to the end of the hole at 167.1 metres. From the discovery hole, 48kg of kimberlite was analyzed and 35 diamonds were recovered. Seven of which exceeded 0.5 mm in one dimension and are classified as macrodiamonds and all are white stones.

In view of the encouraging results obtained from the discovery drill hole, the pipe was delineated by eight core holes. These holes broadly delineate the deposit at depth and provided information on the diamond distribution within the pipe.

Processing of the core from these delineation holes returned diamond results that compare favourably to those of De Beers' Victor kimberlite. In total, 6,957 kilograms of core has been processed recovering 3,126 diamonds larger than 0.106mm. The average diamond count of 449 diamonds per 1,000 kg is most encouraging. The diamonds recovered from the delineation holes are of exceptional quality; approximately 60% of the diamonds are white and of gem quality. Importantly, the size distribution of diamonds contained within the core is similar to that from other Canadian diamond mines.

These favourable factors led to the commissioning of a bulk sample to determine the grade of production diamonds and their indicative value. Should potentially commercial diamond grades and values be found from the bulk sample, then additional delineation drilling and further sampling will be carried out as part of a staged evaluation program which may lead to mine feasibility studies.

T1 Bulk Sampling

In April 2006, the Company commenced the collection of a 200 to 300 tonne sample from T1 by large diameter reverse circulation ("RC") drilling. The purpose of the bulk sample was to determine the likely diamond grade and indicative diamond values of T1.

RC drilling continued until August 2006 when work was suspended pending the extension of the bulk sampling permit granted by the Ministry of Northern Development and Mines ("MNDM"). The Company was advised that the MNDM have

a duty to consult with the affected First Nations. In parallel with the MNDMs discussions, Metalex continued its consultations with the affected First Nations.

In late 2009, a new bulk sample permit was granted for the T1 and U2 kimberlites. The Company immediately commenced RC drilling to complete the bulk sample. As a result of cost saving measures implemented at the project, approximately 450 tons of kimberlite were collected from 20 holes within budget.

Processing of all 20 holes was completed at Stornoway Diamond Corporation's diamond recovery plant in North Vancouver where a total of 12,446 commercial sized (larger than 0.425mm) diamonds were recovered. Size distribution information for the diamonds recovered is presented in the following table:

Sieve Sizes (Through / On)							**Total**
0.6mm 0.425mm	0.85mm 0.6mm	1.18mm 0.85mm	1.7mm 1.18mm	2.36mm 1.7mm	3.35mm 2.36mm	4.75mm 3.35mm	
5,242	4,834	1,770	470	109	19	2	12,446

Characterization of the diamonds yielded the following: 3,718 diamonds (29.9%) are white; 3,468 (27.9%) are grey; 5,072 (40.8%) are brown; 142 (1.1%) are green; 6 (0.05%) are yellow; 27 (0.2%) are blue; and 13 (0.1%) pink were recovered.

The size distribution plots indicate that the T1 diamonds are relatively small and it is no likely that additional drill sampling will yield economic results at current diamond prices.

Discovery of New Kimberlites at the Kyle Project

A 28,620 line kilometre airborne geophysical survey was flown in late 2006. A total of 34 targets were identified by the survey and were subsequently staked. Priority targets were drill tested during the winter of 2006/2007 and three additional kimberlites were discovered between the T1 kimberlite and DeBeers' Victor Diamond Mine ("Victor"): U1, U2 and U2NW. Although all three kimberlites are diamondiferous, work has focused on the U2 kimberlite due to its large size. At nine hectares, the U2 kimberlite is one of the largest kimberlites in the region, second only to Victor.

Shortly after the kimberlite was discovered by a vertical core hole, four inclined core holes were completed to delineate the pipe. Diamonds recovered from these holes have a coarse size distribution and are predominantly gem quality, similar to those recovered from DeBeers' Victor Mine. The large size of the U2 kimberlite, its high proportion of white, gem quality stones, its similar age and diamond indicator mineral content to Victor and a coarse diamond distribution curve all supported the decision to collect a bulk sample from U2.

Prior to commencing the large diameter RC drill program seven delineation core holes were drilled to better define the pipe walls. RC drilling commenced early in 2010 and approximately 450 tons of kimberlite was collected from 11 holes.

Following the processing of the T1 bulk sample through the Stornoway facility, the plant was further modified to optimize the recovery of diamonds from the U2 bulk sample. A total of 1,946 commercial sized (larger than 0.425mm) diamonds were recovered. Size distribution information for the diamonds recovered is presented in the following table:

Sieve Sizes (Through / On)								**Total**
0.6mm 0.425mm	0.85mm 0.6mm	1.18mm 0.85mm	1.7mm 1.18mm	2.36mm 1.7mm	3.35mm 2.36mm	4.75mm 3.35mm	6.7mm 4.75mm	
338	804	505	213	56	23	5	2	1,946

As seen above, the size distribution of the diamonds is very coarse with a high proportion of the diamonds being in the large size categories. This is important for a high average carat value. Included in the above figures are a 2.61 carat white gem quality diamond as well as a 1.25 carat diamond and two 0.73 carat diamonds which have been recovered from four separate holes. The 86 largest (+1.7mm) diamonds totalled 15.95 carats

Dr. Luc Rombouts, renowned diamond specialist from Antwerp, Belgium, flew to Kelowna to examine the diamonds. Of the 86 largest diamonds, he classified 73 as white, six as brown, five as grey and two as coloured (yellow and pinkish brown). This equates to 88.8% white, 7.3% brown, 2.8% grey and 1.1% coloured by weight. Dr. Rombouts confirmed that the two largest diamonds (2.61 and 1.25 carats) recovered from U2 would cut as high quality white gems.

Dr. Rombouts concludes that the parcels of diamonds from both T1 and U2 are too small to give a reliable average price per carat estimate. The U2 size distribution plots are relatively coarse and indicate significantly larger samples will yield significantly larger diamonds of consequently higher value than the diamonds recovered from this bulk sample.

Based on the high proportion of gem quality diamonds, the large size of the U2 kimberlite and the diamond grades, the U2 kimberlite merits the collection of a 10,000 ton bulk sample so that at least 1,000 carats of diamonds can be recovered for assessment. A large diamond parcel is necessary to accurately define the diamond grade and average value per carat.

The proposed bulk sample is to be collected by 48 large diameter (60cm) reverse circulation holes and the kimberlite from the holes will be processed at a plant on site. This plant is being custom designed to meet the specifications of the U2 kimberlite. The processing plant, drill and all other supplies needed for the program will be mobilized to site in early 2013 by winter road.

Drilling and processing of the bulk sample are expected to take approximately one year. This will allow the drill and unneeded equipment to be demobilized by winter road the following winter.

AMEC Environment and Infrastructure ("AMEC") was contracted in September, 2011 to complete the permitting required for the program and this is well underway. AMEC has also commenced environmental baseline studies for the project area.

Angola

The Company entered into an agreement for kimberlite diamond exploration in Angola pursuant to an agreement executed by the Angolan Council of Ministers in April 2005. Under the terms of the agreement, the Company contributes 100% of all costs incurred by the project up to the end of feasibility studies. These costs are repaid out of future profits and during the period the costs are being repaid, the Company's interest in the project is 55-60%. After the Company's costs have been repaid, the Company's interest in the project will be 25%. The kimberlite license was valid for a three year period to April 29, 2008 and was twice renewable for one year periods through to April 29, 2010. Under the terms of the license, the Company was required to spend US$10,000,000 which has been met as of April 30, 2010 (subject to audit by Angolan officials). The Company has received a further two year extension through to May 21, 2012.

A heavy mineral survey was carried out over the entire Chitamba license. The results of this survey indicate that the eastern portion of the exploration license has the potential to host diamondiferous kimberlites. A fixed wing magnetic survey was then acquired. Interpretation of the aeromagnetic data over the 3,000 km^2 Angola kimberlite license was completed by Scott Hogg and Associates, geophysicists, and 127 anomalies were identified. The existing aeromagnetic data was found not to be detailed enough to position drill locations so a high resolution helicopter borne magnetic survey was undertaken in 2007. This survey refined the results of the previous survey and drilling of the resultant geophysical anomalies commenced early in 2008. To date, 51 kimberlites have been discovered on the property by drilling or pitting. Typically a sample of kimberlite greater than 200 kilograms has been collected from each of these discoveries and has been shipped to CF Mineral Research Ltd. for the recovery of diamond indicator minerals and microdiamonds. Results of the first 15 kimberlites discovered determined that 7 of the pipes are weakly diamondiferous while eight are barren.

In April 2009, the Company discovered a 24 hectare kimberlite. Nine delineation holes have been completed and show that although there are thick crater infill sediments in the center of the kimberlite (198.5m) the kimberlite comes near to surface (3 m) in the peripheral portions of the pipe. Core from the first two holes has been processed and although diamond indicator minerals are contained in the core the samples did not contain diamonds. The compositions of picroilmenites contained in the core indicate that the phase of kimberlite magma that was tested by the samples was at chemical disequilibrium to diamond. As a result diamonds sampled at depth (+/- 200km) would have been resorbed (destroyed) while being carried to the surface by the kimberlite magma.

In September 2011, the Company commenced a drill program to test two additional large anomalies (modeled to be 7 and 18 hectares in size) underlying the flood plain of the Cuango River. Drilling to date has confirmed both anomalies to be kimberlite. Core samples from the initial core hole have been exported to Canada for diamond analysis.

In March 2012, A third anomaly (MB04), estimated at 18 hectares based on its geophysical signature has now been field confirmed as a kimberlite as a part of this program. Initially a vertical core hole (LDH009-1) encountered sandstone at 4.3 meters before intersecting potential kimberlite from 8.2 to 9.8 meters, 15.8 to 48.5 meters and from 431.9 to 434.3 meters.

Morocco

In May 2004, the Company entered into an agreement with the Office National de Hydrocarburers et des Mines ("ONHYM") to conduct preliminary exploration work in Southern Morocco in order to identify areas on which to undertake further exploration work. In May 2005, the Company added additional areas for exploration work on the same terms and conditions as the first agreement. The agreements were governed by the laws and regulations of the Kingdom of Morocco and were valid until November 2006.

In April 2011, the Company entered into a new joint venture agreement with the ONHYM for further exploration of the claim areas – which comprise 17,100 km^2. The Company will hold a 60% interest while ONHYM will retain a 40% interest in the project. Both parties will be responsible for funding their respective interests.

The Company's portion of the minimum annual exploration commitments pursuant to the terms of the agreement in Canadian Dollars is estimated as follows:

Calendar	
2012	$4,625,000
2013	$ 690,000

The licenses cover an area that is one of the only remaining areas of the world that is underlain by an Archean craton (ie rocks older than 2.6 billion years) that has yet to be explored. Archean cratons are considered highly prospective for diamond bearing kimberlite, gold and base and precious metals are very favorable areas for significant mines. All kimberlite diamond mines are on cratons. Many of the world's largest gold mines are also located on cratons such as the mines at the Witswatersrand in South Africa, the Yilgarn craton in Australia and the Abitibi and Timmins areas in Canada. The prospectivity of the license is further demonstrated by the presence of Kinross' 20 million ounce Tasiast gold mine located 100 kilometers to the south and SNIM's world class 5.7 billion ton iron mine 200 kilometers to the east.

In 2006, follow up work of geochemical and geophysical anomalies discovered from earlier reconnaissance sampling indicated that G10 peridotitic garnets occur in 6 drainage/loam samples collected over an area of approximately 1,000 km^2. One of these samples contained an outstanding result of three G10 garnet grains comprising one G10 - 9, one G10 - 5 and one G10 - 3. Many of the G10 grains are fresh, and they are interpreted to be derived from nearby diamond bearing kimberlite(s). Additionally, 17 sample sites contain picroilmenite grains clustered over an area of 1,000 km^2. Several samples sites also contain pyrope garnet and a diamond stability field olivine has been found at one location. These results are interpreted to reflect an undiscovered kimberlite field.

The Company is particularly encouraged by both the diamond indicator results and metal results of the Morocco project. Follow up work on these results can now commence with the joint venture with ONHYM finalized.

In August 2011, work commenced on a 85,000 line kilometer magnetic and radiometric survey that is being flown over the entire 17,100 km^2 license area. Geophysical data will be processed and interpreted as the survey progresses and ground truthing of resultant anomalies will be undertaken. An extensive airborne electromagnetic survey has also been budgeted for. Its extent will be determined in part by the results of the current airborne magnetic and radiometric surveys.

In March 2012, the Company reported that the airborne magnetic and radiometric survey is now complete. This survey covered virtually the entire 17,100 square kilometer license over which an extensive geochemical survey indicated the potential for a variety of commodities. A total of 88,146 line kilometers were flown and the final survey reports should be complete at the end of March.

Wemindji James Bay Property, Quebec

During fiscal 2003, the Company acquired a 33.3% interest in various mineral claims located in the Wemindji James Bay region of Quebec, Canada from Kel-Ex in consideration for 20,000 common shares of the Company valued at $80,000.

During fiscal 2007, the Company received notification from one joint venture party that they did not wish to participate in non-diamond related exploration on these claims. The Company finalized a joint venture agreement with the remaining partner for the exploration of various base metals within the same claim area. The Company holds a 50% interest in this joint venture while retaining its 33.3% share in the original project which will explore solely for diamonds**.**
In August 2005, it was announced that anomalous concentrations of metals were discovered within the reconnaissance area. In addition to analysis for diamond indicator minerals, the heavy mineral concentrates were also geochemically analyzed for

copper, cobalt, nickel, silver, zinc and molybdenum by atomic absorption and for gold, silver, arsenic, barium, bromine, calcium, cobalt, chromium, cesium, iron, hafnium, mercury, iridium, molybdenum, sodium, nickel, rubidium, antimony, scandium, selenium, strontium, tantalum, thorium, uranium, tungsten, zinc and eight rare earth elements by neutron activation.

Anomalous gold concentrations were found in more than 400 samples, anomalous copper values were found in 109 samples and anomalous uranium values were found in 173 samples. As the Archaean shield of eastern Canada contains a number of world-class metal mines, e.g. gold in the Val d'Or region of Quebec, nickel - copper - cobalt at Sudbury and Voisey Bay, and Uranium at Blind River, the geochemical results obtained above are regarded as most encouraging; particularly since they are spread throughout the regional area. A follow up program of priority results was conducted during 2006.

In March 2008, the discovery of a diamond bearing conglomerate was announced. The conglomerate appears to extend for four kilometres along strike and is up to 500 meters wide. Since then, 772 claims have been staked covering 39,472 hectares and 111 samples collected from the conglomerate totalling 1,616 kilograms have been processed with 54 of the samples having contained a total of 1,717 diamonds. Amongst the diamonds recovered were 106 rare, purple diamonds. In the sampling completed to date, the Ekomiak V conglomerate appears to have the greatest potential with 1,672 diamonds being recovered from 923 kilograms. Autogenous milling of selected conglomerate samples recovered diamond and kimberlite indicator minerals including olivine, chromite, picroilmenite, clinopyroxenes, pyrope and eclogitic garnets.

Future work will include more detailed sampling of the diamond bearing conglomerates and exploration for the primary kimberlite sources of the diamonds.

Attawapiskat Property, Ontario

Big Red Diamond Joint Venture

As at January 31, 2012 the Company has a 80% contributing interest (72% participating interest) in certain mineral claims in the Attawapiskat area of Ontario. These claims are subject to a 10% carried interest in favour of Kel-Ex. The Company is obligated to contribute to the costs of the exploration program in proportion to its contributing interest.

During fiscal 2002, Kel-Ex formed an exploration joint venture with Big Red Diamond Ltd. (“Big Red”), (the Big Red Diamond Joint Venture) with respect to certain mineral claims in the Attawapiskat area of Ontario, with Kel-Ex having an 80% interest and Big Red, a 20% interest. The Company then entered into an agreement with Kel-Ex to acquire Kel-Ex’s 80% interest in these claims in consideration for $300,000 and the issuance of 100,000 common shares of the Company valued at $225,000. Kel-Ex is a company controlled by an individual who became a director of the Company subsequent to this agreement.

During fiscal 2003, the Company sold, to Arctic Star, a 20% undivided interest in certain mineral claims for proceeds of $300,000.

During fiscal 2008, Big Red elected to dilute a portion of its contributing interest which the Company has elected to assume effective January 1, 2010 thereby increasing its contributing interest in the claims from 60% to 63.9%

In September 2011, the Company acquired all of Arctic Star’s remaining joint venture interests thereby increasing their contributing interest in the claims from 63.9% to 80%.

Dumont Joint Venture

As at January 31, 2012 the Company has a 82.5% contributing interest (61.7% participating interest) in certain mineral claims located in the vicinity of the Attawapiskat property. These claims are subject to 10% carried interests in favour of each of Kel-Ex and Dumont Nickel Inc. (“Dumont”). The Company is obligated to contribute to the costs of the exploration program in proportion to its contributing interest.

Pursuant to an agreement between Kel-Ex and Dumont, a joint venture was formed to explore certain mineral claims located in the vicinity of the Attawapiskat property. Kel-Ex was granted an option to earn up to a 90% interest in certain mineral claims held by Dumont and a 100% interest in any new claims staked by the joint venture subject to Dumont's right to receive a 5% interest in the new claims once commercial production is achieved. Under this agreement, Kel-Ex earned a 50% interest by incurring expenditures totaling $1,500,000 and can earn a further 25% by producing a feasibility study and a final 15% (20% on new claims) by bringing the property to commercial production.

The Company, along with Arctic Star and Oasis Diamond Corp. ("Oasis"), entered into an agreement dated October 23, 2003 with Kel-Ex, whereby the parties acquired Kel-Ex's interest in the Dumont joint venture in exchange for assuming Kel-Ex's obligations under the Dumont agreement and reimbursing Kel-Ex for its costs incurred. Under this agreement, the Company acquired 70% of Kel-Ex's interest in the Dumont joint venture with Arctic Star and Oasis acquiring 20% and 10% interests, respectively with Kel-Ex retaining a 10% free carried interest. Pursuant to an agreement dated September 21, 2004, Big Red was assigned a 20% contributing interest of the Kel-Ex interest from the Company in consideration for payment to the Company of $909,747 comprised of a mineral property expense recovery of $892,001 and interest of $17,746. As a result, the Company's interest was reduced to 50% of Kel-Ex's right to earn 90% (95% on new claims) in the Dumont joint venture.

During fiscal 2008, Big Red and Oasis elected to dilute a portion of their working interests which the Company has elected to assume effective January 1, 2010 thereby increasing its contributing interest in the claims from 50% to 61.1%.

In September 2011, the Company acquired all of Arctic Star's remaining joint venture interests thereby increasing their contributing interest in the claims from 61.1% to 82.5%.

Since August 2003, work on the Attawapiskat project has focused on follow up of the locations where high counts of diamond indicator minerals were found in a D6 glacial fan. This fan is located less than 10 kilometres from De Beers Victor diamond deposit, lies within the Attawapiskat kimberlite trend and straddles ground subject to both the Big Red and Dumont Joint Ventures.

In June 2009, the results of nine shallow vertical core holes drilled within the D6 fan were complete. These holes intersected an average of 6-8 meters of glacial overburden, followed by approximately by 25 meters of material interpreted as tuffaceous kimberlite breccia. In each drill hole, these zones were followed at depth by intersections of limestone. Although core recovery in the tuffaceous material was poor, kimberlite indicators and minerals with compositions equivalent to those found as inclusions in diamonds were recovered. Work completed in July 2009 recovered diamonds in two of the holes. The discovery of kimberlite in the immediate vicinity of De Beers' Victor Diamond Mine is most encouraging.

As not all kimberlites are magnetic, typically the next stage of target definition is an electromagnetic survey. However, the variable thickness of conductive clay overlying the area precludes effective application of electromagnetic techniques. Thus a ground gravity survey was undertaken in early 2010 over the previous kimberlite intersections. This survey measured approximately 1km by 1km and discovered a broad 400m diameter gravity anomaly in which diamond bearing kimberlite was intersected by one of the previous core holes. In addition two smaller gravity anomalies each measuring approximately 100m in diameter were discovered.

A drill program consisting of ten core holes testing these three anomalies was completed in Fall 2010. In addition, 12 auger holes were drilled to test for the up ice source of a highly anomalous auger sample which contained abundant diamond indicator minerals and fragments of kimberlite. Samples from both the core and auger drilling have been sent to CF Mineral Research Ltd. for analysis.

James Bay Lowlands Property, Ontario

As at January 31, 2012, the Company has a 62.5% earned interest in certain mineral claims located in the Kyle Ring of Fire region of the James Bay Lowlands, Ontario.

During fiscal 2008, the Company acquired, by staking, an interest in certain claims located in the James Bay lowlands area of Northeastern Ontario. The Properties are strategically located on and around the "Ring of Fire" and cover approximately 36 square kilometres (8,944 acres) of ground.

In March 2008, the Company and Arctic Star entered into a farm-in agreement whereby White Pine Resources Inc. ("WPR", formerly WSR Gold Inc.) could earn up to a 50% interest in certain mineral claims. Certain of these claims were previously included as part of the Kyle Lake project. Under the terms of the agreement, WPR had the right to earn up to a 50% interest in the project by funding up to $20,000,000 in expenditures on the property. For each $5,000,000 in funding, WPR would acquire a 12.5% interest in the claims.

In October 2011, having earned a 37.5% interest in the claims to-date, WPR elected to not to earn the Fourth Interest (50%) and, pursuant to the agreement, a joint venture has been formed whereby each party will fund future exploration activities in proportion to their earned interests.

By mid 2008, an aggressive exploration program was underway. An airborne helicopter magnetic and electromagnetic geophysical survey was completed over most of the joint venture's claims. Ground geophysical studies over anomalies identified on the airborne survey have been conducted and 21 electromagnetic anomalies with a sympathetic magnetic response have been identified, as well as 19 with just electromagnetic anomalies.

Drilling commenced on the targets that were refined by ground geophysics in May 2008. Anomaly number 5.01 was the first tested and several holes have intersected significant widths of sulphide mineralization. The best intercept to date is in hole number six which intersected 95 meters of semi-to-near-massive sulphides from 72.7 meters. Visible copper, zinc, lead and iron sulphide mineralization is typical of the deposit. To date, 42 holes totaling 10,785.9 meters have been drilled on the 5.01 anomaly.

Mineralization, alteration and the geological environment at the 5.01 anomaly appears to be typical of a Noranda-Mattabi-style VMS (Volcanogenic Massive Sulphide) deposit. The mineralized zone appears to subcrop beneath approximately 15 meters of glacial till. The high grade zinc – copper – lead – silver mineralized zone has been delineated over a north-south strike length of 200m and to a vertical depth of 275m from surface. The zone dips steeply at 75 degrees to the east and appears to have a steep 65 degree plunge to the south. Horizontal widths of the high grade zone can reach up to 22 meters.

In late 2009, a Geotech ZTEM airborne geophysical survey was completed over the 5.01 discovery. The ZTEM survey displayed a low resistivity anomaly directly over the zone which suggests that the mineralization could potentially continue to greater depth. Drill testing of this anomaly commenced in December 2009 although no significant mineralization was intersected at depth. This hole is planned to be used as a platform to conduct a down hole electromagnetic survey to assess the potential for sulphide mineralization in the vicinity at depth.

Wawa Property, Ontario

In July 2005, the Company executed an agreement with Mori Diamonds Inc ("Mori") that allows the Company to earn a 60% interest in certain claim units by solely funding the first diamond deposit discovered in the claim units to bankable feasibility. The Company paid $129,500 to Mori upon signing the agreement and, commencing December 2005, agreed to pay $100,000 annually until it earns its interest or withdraws from the venture. The claim units are subject to a 2% net smelter royalty.

In August 2005, the Company assigned certain rights and obligations under the Mori agreement to Dianor Resources Inc. ("Dianor"). Under the agreement, Dianor will pay 50% of all of the Company's costs pertaining to the Mori agreement and will receive 50% of the Company's entitlements and obligations. Dianor will also allow the Company access to its technical data base covering certain claims at Wawa.

In August 2005, the Company announced reconnaissance sampling had been completed over the claims with 130 drainage and rock samples collected. These samples were analyzed by the CF Mineral Research laboratory and the largest diamond recovered was a 0.093 carat, brown crystal measuring 2.87 x 2.51 x 1.85 mm. It was also reported that the diamondiferous conglomerate had been geologically mapped and had a strike length of three kilometres and a breadth of up to 180 meters.

Results of a further nine conglomerate grab samples were reported on April 27, 2007. In the eastern part of the conglomerate (Mori East Block), 119 diamonds were recovered from 79.60 kg. Analysis of 112.63 kg of conglomerate from the western part (Mori West Block) returned 18 diamonds.

In 2007, a 13 hole drill program was completed on the joint venture's Mori East Block to determine the subsurface extent of the outcropping diamond bearing conglomerates. Results of the drill program recovered 5,234 diamonds from 8,078 kilograms of conglomerate drill core. Of interest is the discovery that over half of the diamonds in the core are coloured. The coloured diamonds range from brown (26.8%), grey (13.9%), yellow (5.7%), green (5.1%), orange (0.8%), purple (0.1%), amber (0.1%) and black (0.1%). One pink diamond was also recovered.

Although the quantities of diamonds present in the conglomerates of the Mori East Block are comparable to those from Dianor Resources Inc's Leadbetter conglomerate, the Leadbetter conglomerate does not contain the abundant coloured stones. The Leadbetter conglomerate is the fault offset extension of the conglomerate on Dianor's adjacent property where Dianor is about to undertake a 6,000 meter drill program and conduct a 34,000 tonne bulk sampling program.

A three hole drill program on the Mori West Block recovered 137 diamonds from 975 kilograms of conglomerate of core. This suggests that the conglomerate of the Mori West Block is more distal to the diamond source. This is further supported by the abundance and nature of the diamond indicator minerals found within the conglomerates.

Mali

The Company acquired an Authority to Prospect in 2004 over a claim area in northeastern Mali. In exploring the area, exceptionally anomalous gold values (6 to 77 ppm) were found in reconnaissance heavy mineral concentrates. Approximately 1,000 follow up samples were collected from the anomalous areas and sent to Australia for gold analysis by bulk cyanide leach. Results of these samples indicated that a portion of the claim area was prospective for metal mineralization and the Company applied for two exploration permits to cover these anomalous areas.

In May 2007, the Company was granted the first exploration permit which covers 490 square kilometers and is valid for a period of three years; renewable twice for a total of nine years. The Company was granted a second exploration permit in February 2009.

In February 2009, the Company was granted the second exploration permit which covers 500 square kilometers and is valid for a period of three years; renewable twice for a total of nine years.

The annual exploration commitments for both permits in CFA Francs ("CFA"), with Canadian Dollar equivalents using exchange rates at April 30, 2011 is estimated as follows:

Fiscal 2012	692,000,000 CFA	$1,384,000

To date, the exploration commitments have not been met.

General

Certain Metalex exploration projects are managed by Kel-Ex Development Ltd., a company owned by Dr. Charles Fipke, an internationally recognized diamond geologist. Dr. Fipke is the Chairman of Metalex. Kel-Ex provides Metalex with access to its advanced proprietary databases and interpretational techniques. In return Kel-Ex receives a 10% administration fee on certain projects to cover costs and, in the case of certain projects, a 10% interest carried to production. Dr. Fipke also owns the CF Mineral Research ("CF Minerals") laboratory where samples collected in certain exploration programs are analyzed. Metalex's management is satisfied that all such related party transactions are entered into on terms that are reflective of current market conditions.

Selected Annual Information

The following table provides a brief summary of the Company's financial data for the three most recent fiscal years. For more detailed information, refer to the Financial Statements.

	Year Ended April 30, 2011 (IFRS)	Year Ended April 30, 2010 (GAAP)	Year Ended April 30, 2009 (GAAP)
Total revenues	$ -	$ -	$ -
Loss before other items	(9,061,289)	(15,826,397)	(7,330,044)
Loss for the year	(8,855,295)	(11,916,095)	(6,414,526)
Basic and diluted loss per share	(0.18)	(0.40)	(0.69)
Total assets	19,065,771	10,483,218	1,820,246

Annual and quarterly information for all periods since May 1, 2010 have been restated in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Please refer to the accompanying condensed consolidated interim financial statements for more information on the Company's transition to International Financial Reporting Standards ("IFRS").

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

See "Results of Operations" and the "Summary of Quarterly Results" for a discussion of the variations above.

Results of Operations

For the nine month period ended January 31, 2012

Net loss for the nine month period ended January 31, 2012 amounted to $4,882,518 ($0.07 per share) compared to $6,885,049 ($0.15 per share) in 2011. This difference is largely due to a decrease in exploration expenditures associated with collecting the T1 and U2 bulk samples in the previous year, as well a decrease in stock based compensation expense recognized.

Some of the significant expenses for the nine month periods ended January 31, 2012 are as follows:

Net exploration expenditures of $5,275,289, decreased from $5,942,697 in 2011. Refer to Note 6 in the financial statements for additional detail on exploration expenditures.

Office and administrative expenses of $178,532 (2011 - $192,385) decreased due to a reduction of accrued taxes related to the Company's private placement financings.

Professional fees of $90,714 (2011 - $72,716) increased due to legal services related to various corporate activities (ie; option/joint venture agreements).

Stock based compensation of $4,541 (2011 - $661,813), representing the value of stock options granted and vested, decreased with the options granted and vested during the current period. Refer to Note 11 in the financial statements for additional detail on stock options.

Travel and promotion expenses of $27,756 (2011 - $18,701) increased due to travel for corporate meetings in the current period.

Summary of Quarterly Results

	Three Months Ended January 31, 2012 (IFRS)	Three Months Ended October 31, 2011 (IFRS)	Three Months Ended July 31, 2011 (IFRS)	Three Months Ended April 30, 2011 (IFRS)
Total revenues	$ -	$ -	$ -	$ -
Loss before other items	(2,364,290)	(2,042,587)	(1,306,820)	(2,033,549)
Loss for the period	(2,048,337)	(1,674,563)	(1,159,618)	(1,970,246)
Basic and diluted loss per share	(0.03)	(0.03)	(0.01)	(0.03)

	Three Months Ended January 31, 2011 (IFRS)	Three Months Ended October 31, 2010 (IFRS)	Three Months Ended July 31, 2010 (IFRS)	Three Months Ended April 30, 2010 (GAAP)
Total revenues	$ -	$ -	$ -	$ -
Loss before other items	(2,548,143)	(2,410,271)	(2,069,326)	(6,142,082)
Loss for the period	(2,444,982)	(2,391,069)	(2,048,998)	(2,297,574)
Basic and diluted loss per share	(0.06)	(0.05)	(0.04)	(0.05)

The losses for the three month periods ended October 31, 2011 and January 31, 2012 increased with the commencement of exploration programs in Angola and Morocco during the period. The loss for the three month period ended April 30, 2011 includes stock-based compensation of $1,251,660 recognized as a result of incentive stock options granted and vested during those periods. With the exception of the items noted above, other fluctuations in operating results for the four quarters ending January 31, 2012 reflect the timing of various normal business transactions.

The loss for the three month period ended April 30, 2010 included a future income tax recovery of $3,825,000. and included a significant increase in exploration expenditures incurred in correlation with the private placement financing which was closed in October 2009. The losses for the three month periods ended October 31, 2010 and July 31, 2010 include stock-based compensation of $308,013 and $353,800, respectively, recognized as a result of incentive stock options granted and vested during those periods. With the exception of the items noted above, other fluctuations in operating results for the four quarters ending January 31, 2011 reflect the timing of various normal business transactions.

The Company charges all exploration costs to operations in the period incurred until such time that there is a determination of the feasibility of mining operations and a decision to proceed with development, in which case subsequent exploration and property development costs will be capitalized. All direct costs related to the acquisition of resource property interests have been capitalized as an asset. During the nine month period ended January 31, 2012, the Company capitalized acquisition costs of $264,862 related to the Kyle Lake, James Bay Lowlands and Attawapiskat projects.

Liquidity and Capital Resources

The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to seek capital through various means including joint ventures partnerships and the issuance of equity and/or debt.

As mentioned in the Performance Summary, the Company will be endeavouring to complete a large-scale bulk sample program on the U2 kimberlite project which is estimated to cost approximately $30 million. In January 2012, the Company secured financing for this program by signing a letter agreement with the Dundee Corporation. Pursuant to the agreement, Dundee Corporation has advanced a $5 million interest free loan to Metalex.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to access adequate financing and to commence profitable operations in the future.

During the past 12 months, liquidity has been provided by proceeds from private placement equity financings completed in December 2010 and April 2011. During the nine month period ended January 31, 2012, the Company received net proceeds from financing activities of $5,000,000 (2011 – $6,732,520).

As at January 31, 2012, the Company had cash of $18,334,038 (April 30, 2011 - $18,153,497) and working capital of $16,987,403 (April 30, 2010 - $17,630,647).

During the nine month period ended January 31, 2012, the Company expended $264,862 (2011 - $1,926) on investing activities.

During the nine month period ended January 31, 2012, the Company expended $4,554,597 on operating activities (2011 - $5,200,788) which includes mineral property expenditures net of recoveries.

Off-Balance Sheet Arrangements

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

Related Party Transactions

During the nine month period ended January 31, 2012, the Company entered into the following transactions with related parties:

a) Paid or accrued laboratory and mineralogical costs of $330,071 (2011 - $1,495,909); a 10% administration fee of $27,795 (2011 - $130,925), geological consulting fees of $6,800 (2011 - $598), drilling and equipment rental charges of $Nil (2011 - $2,943), and shared office and administrative costs of $16,361 (2011 - $17,944) to companies controlled by Charles Fipke, a director of the Company.

b) Paid or accrued geological consulting fees of $161,443 (2011 - $124,336) and travel and field expenses of $12,343 (2011 - $1,351), to a company controlled by Chad Ulansky, an officer of the Company

c) Paid or accrued field expenses of $6,073 (2011 - $163), to a company with common directors and management.

d) Recorded recoveries, which were netted against various expenses, for shared office and administrative costs of $18,050 (2011 - $44,741) and for shared field expenditures of $653 (2011 - $6,483) from a company controlled by Charles Fipke, a director of the Company.

e) Recorded recoveries, which were netted against various expenses, for shared office and administrative costs of $8,555 (2011 - $9,410) and for shared field expenditures of $22,785 (2011 - $1,393) from a company with common directors and management.

Included in accounts payable is $325,050 (April 30, 2011 - $1,730) for laboratory and mineralogical costs, $105,462 (April 30, 2011 - $Nil) for payroll costs, $5,873 (April 30, 2011 - $2,009) for shared office and administrative costs and $52,181 (April 30, 2011 - $Nil) for exploration work completed on certain properties owing to companies controlled by Charles Fipke, a director of the Company.

Included in accounts payable is $14,900 (April 30, 2011 - $20,893) for consulting fees owing to a company controlled by Chad Ulansky, an officer of the Company.

Included in receivables is $3,707 (April 30, 2011 - $147) for shared office and administrative costs due from a company controlled by Charles Fipke, a director of the Company.

Included in receivables is $3,012 (April 30, 2011 - $926) for shared office and administrative costs and $1,677 (April 30, 2011 - $Nil) for shared exploration expenditures due from a company with common directors and management.

These transactions were in the normal course of operations and measured at the exchange value which represented the amount of consideration established and agreed to by the related parties. Management strives to ensure that the exchange value reflects market rates.

Risks and uncertainties

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Certain of the Company's mineral properties are also located in emerging nations and consequently may be subject to a higher level of risk compared to developed countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in emerging nations can be affected by changing economic, regulatory and political situations. Other risks facing the Company include competition, environmental and insurance risks, fluctuations in metal prices, share price volatility and uncertainty of additional financing.

Financial instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

Currency risk - While the Company's capital is raised in Canadian dollars, the Company is also conducting business in Angola and Mali whose currencies are the Rand and Franc, respectively. As such, the Company is subject to risk due to fluctuations in the exchange rates for those currencies as well as the United States and Canadian dollar. The Company does not use derivative financial instruments to reduce its exposure to foreign currency risk.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is in large Canadian financial institutions and it does not have any asset-backed commercial paper. The Company's receivables consist mainly of mineral property recoveries due from joint venture partners and HST receivable due from the Federal Government of Canada. The Company is subject to the risk that its joint venture partners will default on amounts owing for their portion of exploration expenditures (January 31, 2012 - $Nil). Any such amounts defaulted would dilute that partners' interest in the exploration joint venture and would require the Company to pick up the proportionate share of future exploration expenditures.

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. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations or assets.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk - The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of diamonds and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors diamond, precious metal and fuel prices to determine the appropriate course of action to be taken by the Company.

Capital risk management

The Company includes equity, comprised of issued common shares, reserves and deficit, in the definition of capital.

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company expects its current capital resources will be sufficient to complete its currently budgeted exploration programs and operations through its current operating period. Until its equity financing was recently completed, the Company had relied on extended credit terms and/or advances from a related party to fund its operations. The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

First-time adoption of IFRS

For all periods up to and including the year ended April 30, 2011, the Company prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). For periods on or after May 1, 2011, the Company's financial statements are prepared in and reported in accordance with IFRS.

The significant IRFS accounting policies that have been adopted by the Company are presented in Note 3 to the condensed consolidated interim financial statements. The adoption of IFRS resulted in changes to the condensed consolidated interim statements of financial position and statements of comprehensive loss for comparative periods which the Company had previously reported under GAAP. A reconciliation of the changes is presented in Note 15 to the condensed consolidated interim financial statements.

As demonstrated in the tables in Note 15, the impact of the transition to IFRS was largely confined to changes in equity accounts as a result of adjustments for flow-through shares. Canadian GAAP has specific guidance for the treatment of flow-through shares, which are an equity instrument unique to Canada and therefore, there is no specific equivalent guidance under IFRS. Under the IFRS framework, the shares can be seen as a compound instrument, consisting of a share and a tax benefit and when the shares are issued the premium paid for the tax benefit in excess of the market value of the shares on a standalone basis is credited to flow-through liabilities. When the qualifying expenditures are made and the renouncement has been filed with the tax authorities, the obligation of the Company to pass the tax benefit to the shareholder has been discharged, and accordingly, the liability is taken into income at that point in time as a future income tax recovery.

As a result of this change in policy, during the year ended April 30, 2011, a flow through liability of $1,573,03 was recognized and reallocated from share capital. This will be taken into income once the expenditures are incurred.

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of May 1, 2010 are consistent with its GAAP estimates for the same date.

Recent accounting pronouncements

Certain new IFRS standards, interpretations and amendments to existing standards are not yet effective as of January 31, 2012 and have not been applied in preparing these condensed consolidated interim financial statements.

Accounting standards effective May 1, 2012

In October 2010, the IASB issued amendments to IFRS 7 – Financial Instruments: Disclosures that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with earlier adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed consolidated financial statements.

In December 2010, the IASB issued an amendment to IAS 12 – Income taxes that provide a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July 1, 2011, with earlier adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed consolidated financial statements.

Accounting standards anticipated to be effective May 1, 2013

In September 2010, the IASB posted a staff draft of a forthcoming IFRS on consolidation. The staff draft reflects tentative decisions made to date by the IASB with respect to the IASB's project to replace current standards on consolidation, IAS 27 - Consolidated and Separate Financial Statements and SIC-12, with a single standard on consolidation. The IASB plans on publishing the final standard on consolidation during the first half of 2011, with an anticipated effective date of January 1, 2013. The Company is currently evaluating the impact the final standard is expected to have on its condensed consolidated financial statements.

In November 2009, the IASB published IFRS 9, "Financial Instruments, "which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Company upon implementation of the issued standard.

Outstanding share data

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

As at April 2, 2012, the Company had outstanding 66,463,562 common shares, 5,159,100 stock options with a weighted average exercise price of $0.90 per share, 1,613,882 agents' options with a weighted average exercise price of $0.77 per share and 7,554,700 share purchase warrants with a weighted average exercise price of $0.99.