ROCKEX MINING CORPORATION

(FORMERLY ENVIROPAVE INTERNATIONAL LTD.)
(a development stage company)

MANAGEMENT DISCUSSION AND ANALYSIS
of
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Year Ended December 31, 2010

ROCKEX MINING CORPORATION
Management Discussion and Analysis
For the Year Ended December 31, 2010

Date:

This Management Discussion and Analysis ("**MD&A**") of Rockex Mining Corporation (the "**Corporation**") covers the year ended December 31, 2010 and was prepared on April 29, 2011.

General:

This MD&A provides analysis of the Corporation's financial results for the year ended December 31, 2010. The following information should be read in conjunction with all recent press releases and the audited consolidated financial statements and notes for the years ended December 31, 2010 and 2009.

The following discussion of the financial condition and results of operations of the Corporation constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended December 31, 2010. The discussion should be read in conjunction with the audited annual consolidated financial statements of the Corporation for the years ended December 31, 2010 and 2009, including the notes thereto and all recent press releases.

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars and all financial information (as derived from the Corporation's financial statements) has been prepared in accordance with Canadian generally accepted accounting principles.

Caution regarding Forward-looking Statements:

Certain information regarding the Corporation within this MD&A may include "**forward-looking statements**" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Corporation's business, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "**estimate**", "**plan**", "**anticipate**", "**expect**", "**intend**", "**believe**", "**will**", "**may**", "**would**", "**should**", "**could**" and similar expressions are intended to identify forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that may cause actual results in the future to differ materially from those anticipated in the forward-looking statements. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially (see, in particular, the "*Risks and Uncertainties*" section below), there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Without limiting the generality of the foregoing, the section below entitled "*Overall Performance*" contains some forward-looking statements with respect to opportunities for the Corporation to add undervalued assets to its portfolio and the section below entitled "*Liquidity and Capital Resources*" contains some forward-looking statements, in particular with respect to prospects for future financings. Except as required by continuous disclosure obligations (specifically section 5.8(2) of National Instrument 51-102 "**Continuous Disclosure Obligations**"), the Corporation does not intend, nor does it undertake, any obligation, to update or revise any forward-looking statements to reflect subsequent information, events, results, circumstances or otherwise.

<u>Nature of the Corporation's Business:</u>

The Corporation was initially conceived as a junior capital pool corporation pursuant to the policies of the Alberta Stock Exchange. As such, the Corporation has not conducted operations of any kind and, as of December 31, 2010, did not own any assets, other than cash and cash equivalents. The principal business of the Corporation was to identify and evaluate assets or businesses with a view to completing a transaction to acquire a business and to achieve a listing of the Corporation's common shares on a Canadian stock exchange.

In October 2010, the Corporation identified such a transaction – namely, a business combination with Rockex Limited, a mineral exploration company with assets in northwestern Ontario - and signed a letter of intent to proceed. The transaction was completed effective January 1, 2011. See the "*Amalgamation*" section below and the subsequent event note in the December 31, 2010 audited financial statements.

On completion of the business combination, the Corporation became a mineral exploration company.

Recent Events and Outlook

Amalgamation

Effective January 1, 2011, the Corporation completed a business combination with Rockex Limited ("**Old Rockex**") pursuant to a "three cornered" amalgamation (the "**Amalgamation**") involving the Corporation, Old Rockex and 1837427 Ontario Inc. ("**Subco**"), a wholly-owned subsidiary of the Corporation. The Corporation acquired all of the issued and outstanding shares of Old Rockex which amalgamated with Subco to form a new amalgamated corporation which is a wholly-owned subsidiary of the Corporation and is also called Rockex Limited. In connection with the Amalgamation, the Corporation issued one common share of the Corporation for each one common share of Old Rockex previously held by the shareholders of Old Rockex. The Corporation also paid a finder's fee to two arm's length finders in connection with the business combination equal to 130,000 common shares. Following the business combination, the Corporation had 43,452,029 common shares outstanding, 197,266 finder's warrants (each such warrant entitling the holder to purchase one common share for $0.90 on or before June 30, 2012), 63,000 purchase warrants (each such warrant entitling the holder to purchase one common share for $1.15 on or before June 30, 2012), and 200,000 vested stock options (each such option entitling the holder to purchase one common share for $0.50 on or before March 31, 2011).

Private Placements

Subsequent to year-end, the Corporation successfully completed a non-brokered private placement of units (each, a "**Unit**") and flow-through common shares (each, a "**FT Common Share**"). The first tranche, completed February 3, 2011, was comprised of 1,163,111 Units and 111,000 FT Common Shares for aggregate proceeds of $1,146,700. The second tranche, completed February 4, 2011, was comprised of 448,000 Units at a price of $0.90 per Unit and 151,200 FT Common Shares at a price of $0.90 per FT Common Share for aggregate gross proceeds of $616,000. Combined, the Corporation issued 1,611,111 Units and 262,200 FT Common Shares for aggregate gross proceeds of $1,762,700 in the two tranches of the private placement (the "**Offering**"). Each Unit was comprised of one common share of the Corporation and one purchase warrant (a "**Warrant**"). Each whole Warrant entitles the holder to purchase one common share at a price of $1.15 at any time prior to the earlier of (i) the expiry of an 18 month period after the closing date (the "**Closing Date**") and (ii) 30 days after notice from the Corporation if the common shares have traded on the Toronto Stock Exchange ("**TSX**") with a weighted average price at or above $1.50 for 20 consecutive trading days occurring more than 4 months after the Closing Date.

TSX Listing

Effective March 7, 2011, the Corporation's common shares were listed and posted for trading on the TSX. The common shares of the Corporation trade under the symbol "**RXM**".

New Directors

The Corporation has significantly strengthened its Board of Directors with the addition of two additional members – Bruce Reid and Armando Plastino.

Bruce Reid is currently the Chief Executive Officer and a Director of Carlisle Goldfields Limited and has served as the Chief Executive Officer and a Director of U.S. Silver Corporation from mid-2006 to November 2008. Mr. Reid has over thirty (30) years of experience in the mining and mining financing industries. Prior to joining U.S. Silver Corporation, he was the Vice President of Mining Investment Banking at Research Capital Corporation, a full service securities dealer in Toronto, Ontario. Mr. Reid has been a director of several mining and exploration companies and has also worked as an exploration geologist at numerous projects in northern Canada following graduation from the University of Toronto with a B.Sc. in geology (1979). Mr. Reid also has a finance degree from the University of Windsor (1982).

Armando Plastino recently retired as the Chief Executive Officer of Essar Global's Canadian subsidiary, Essar Steel Algoma Inc. in Sault Ste Marie, Ontario, after a career spanning nearly 39 years. Mr. Plastino was Chief Executive Officer of Essar Steel Algoma Inc. from April 2009 until his retirement in December 2010. Previously, he was Chief Operating Officer (from April 2008 until April 2009) and Vice President Operations (from March 2001 until April 2008). He will be continuing as a director of Essar Steel Algoma Inc. He is a 1972 graduate of Ryerson University in Toronto, Ontario.

Stock Options

On March 14, 2011, the board of directors of the Corporation approved the grant of options, pursuant to its stock option plan, to the directors, officers and certain consultants of the Corporation to purchase a total of 3,450,000 common shares of the Corporation at an exercise price of $1.00 per share. The options vested immediately and have a term of five years subject to earlier termination in accordance with the Corporation's stock option plan.

Continuance of the Corporation to Ontario

Effective January 24, 2011, the Corporation continued as an Ontario corporation subject to the provisions of the *Business Corporations Act* (Ontario). The Corporation was formerly named Enviropave International Ltd. (until December 20, 2010) and was subject to the provisions of the *Business Corporation Act* (Alberta). The change of name and continuance into Ontario were part of the reorganization of the Corporation which included the reverse take-over of the Corporation by the shareholders of Rockex Limited effective January 1, 2011.

Mineral Properties:

Through the recently completed business combination with Rockex Limited, the Corporation has acquired some mineral exploration properties in northwestern Ontario. Rockex Limited has a 100% direct interest in the Western Lake St. Joseph Iron Project, consisting of 23 contiguous mining claims covering a nominal area of approximately 5,392 hectares located approximately 100 kilometres northeast of Sioux Lookout and 80 kilometres south-southwest of Pickle Lake. In December 2010, Rockex Limited received a National Instrument ("**NI**") 43-101 Mineral Resources Estimate (the "**Mineral Resources**") for its Eagle Island deposit (the "**Eagle Island Deposit**") in its 100%-owned Western Lake St. Joseph Iron Ore Project concluding that, at an 18% Soluble Iron cut-off grade, there are Indicated Mineral Resources of 590,847,000 tonnes grading 28.84% Fe and Inferred Mineral Resources of 415,757,000 tonnes grading 29.47% Fe in the Eagle Island Deposit (*see press release dated February 3, 2011 and related Technical Report filed on SEDAR*). In addition, Rockex Limited holds a 100% interest in three other iron projects in relative close proximity to Rockex Limited's Western Lake St. Joseph Project: (i) East Soules Bay, a property consisting of 3 contiguous mining claims (768 hectares) in and along the eastern end of Lake St. Joseph, approximately 40 kilometres east of Rockex' Western Lake St. Joseph Iron Project, (ii) the Doran Lake Property consisting of 4 contiguous mining claims (832 hectares) in and along the north shore of Doran Lake, south of Lake St. Joseph, approximately midway between the Western Lake St. Joseph Iron Project and the East Soules Bay Project and (iii) the Root Lake Project, a property consisting of 4 contiguous claims (832 hectares), approximately 100 kilometres north of Sioux Lookout near the central part of Lake St. Joseph.

Results of Operations:

The following table contains some selected financial information taken from the Corporation's consolidated financial statements for the years ended December 31, 2010 and 2009.

	2010	2009
Net Sales	Nil	Nil
Loss	$42,694.00	$41,859.00
Basic and diluted loss/share	$0.00	$0.00
Net Loss	$42,694.00	$41,859.00
Basic and diluted net loss per share	$0.05	$0.00
Total Assets	$4,116.00	$11,676.00
Total Long Term Liabilities	Nil	Nil
Cash Dividends per common shares	N/A	N/A

The Corporation does not generate any cash flow and has no income. It relies on private equity financing for its current working capital requirements to fund its current activities.

The Corporation had a loss of $42,694 for the year ended December 31, 2010, or $0.05 share. Comparatively, the loss for the same period in 2009 was $41,859 or $0.00 per share. There were no material differences between the two years.

Summary of Quarterly Results:

The following table contains some selected financial information on a quarterly basis over the past two years.

	2010				2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss	(12,024)	(11,226)	(11,201)	(8,243)	(3,517)	(8,846)	(21,294)	(8,202)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

As previously mentioned, there were no material differences between the year ended December 31, 2010 compared to the year ended December 31, 2009, as the Corporation was relatively inactive.

Liquidity and Capital Resources:

The Corporation has no revenue generating projects at this time (see the subsequent event note in the December 31, 2010 financial statements). As at December 31, 2010, the Corporation had a shareholders' deficiency of $6,977 compared to a capital deficiency of $244,147 as at December 31, 2009. This reduction was as a result of the settlement of the outstanding obligations with most of the Corporation's creditors by issuing shares to them in December 2010.

The Corporation's continued development is contingent upon its ability to raise sufficient financing in the long term. Since November 2010, the Corporation has completed a series of private placements, share consolidations and other transactions, a summary of which is listed below, with a view to improving the Corporation's balance sheet and capital resources and enhancing the Corporation's ability to access the capital markets and its ability to raise financing in the long term:

(1) On November 18, 2010, the outstanding common shares were consolidated on a one (1) for two (2) basis, such that for every two (2) shares held prior to consolidation, one (1) share was outstanding after the consolidation.

(2) On November 19, 2010, the Corporation settled certain liabilities with seven parties, including a related party. 3,046,377 shares were issued to settle the liabilities at a fair value of $0.0833 per share.

(3) On December 17, 2010, the Corporation settled certain liabilities with two parties. 313,256 shares were issued to settle the liabilities at a fair value of $.0833 per share.

(4) On December 20, 2010, the outstanding common shares were further consolidated on a one (1) for six (6) basis, such that for every six (6) shares held prior to this second consolidation, one (1) share was outstanding after the consolidation.

(5) Effective January 1, 2011, the Corporation completed a business combination with Rockex Limited pursuant to which the Corporation issued securities to the former securityholders of Rockex Limited in exchange for all of the issued and outstanding securities of Rockex Limited – see "*Amalgamation*" above. Following the business combination, the Corporation had 43,452,029 common shares outstanding, 197,266 finder's warrants (each such warrant entitling the holder to purchase one common share for $0.90 on or before June 30, 2012), 63,000 purchase warrants (each such warrant entitling the holder to purchase one common share for $1.15 on or before June 30, 2012), and 200,000 vested stock options (each such option entitling the holder to purchase one common share for $0.50 on or before March 31, 2011).

(6) On February 3 and 4, 2011, the Corporation completed a non-brokered private placement or 1,611,111 Units and 262,200 FT Common Shares for gross proceeds of $1,762,700 – see "*Private Placements*" above.

(7) On March 7, 2011, the Corporation's common shares commenced trading on the Toronto Stock Exchange.

Off- Balance Sheet Arrangements:

The Corporation has not participated in any off-balance sheet or income statement arrangements.

Transactions with Related Parties:

An officer, director and shareholder of the Corporation during 2010 was related to an officer of the Corporation's landlord. The rent paid by the Corporation during 2010 and 2009 to the landlord was as follows:

	Year Ended December 31	
	2010	**2009**
Rent	$30,000	$30,000

Critical Accounting Estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, resource property values, useful lives for amortization, future income taxes, and determination of fair value for stock based transactions. Actual results could differ from those reported.

While the Corporation feels that its estimates are reasonable at this time, a prolonged decline in commodity prices may impact the Corporation's estimate of capitalized mineral properties and deferred development expenditures and, as a result, future write-downs of these capitalized expenditures may be necessary. As well, if these economic conditions persist, the ability for the Corporation to realize its future income tax assets may also change given the difficulty in establishing future profitable operations at depressed commodity prices.

<u>Changes in Accounting Policies:</u>

<u>International Financial Reporting Standards (IFRS)</u>

In 2006, the Canadian Accounting Standards Board ("**AcSB**") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS. The transition date is for interim and annual financial statements relating to fiscal year's beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Corporation for the year ended December 31, 2010 and each set of interim financial statements issued in 2010.

<u>Financial Instruments:</u>

The Corporation's financial instruments consist of cash and accounts payable, and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest or credit risks arising from the financial instruments. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted.

Currently, the Corporation's operations are all conducted in Canada, and therefore there is low risk of political or social disruptions.

In conducting business, the principal risks and uncertainties faced by the Corporation center around resource properties and the Corporation's efforts to explore and develop those properties. There is no assurance of the Corporation's ability to maintain and develop such properties. The Corporation relies on equity financing for its working capital requirements and to fund its future exploration programs. It does not currently have sufficient funds to explore or develop the properties held by Rockex Limited. There is no assurance that the Corporation will be able to raise such funds, through equity or debt financing or through entering into joint venture arrangements with other parties.

<u>Share Data:</u>

The Corporation is authorized to issue an unlimited number of common voting shares without par value, and an unlimited number of special shares issuable in series.

As at December 31, 2010, the Corporation had 1,338,774 common shares issued and outstanding.

Following the business combination, the Corporation had 43,452,029 common shares outstanding, together with 197,266 finder's warrants (each such warrant entitling the holder to purchase one common share for $0.90 on or before June 30, 2012), 63,000 purchase warrants (each such warrant entitling the holder to purchase one common share for $1.15 on or before June 30, 2012), and 200,000 vested stock options (each such option entitling the holder to purchase one common share for $0.50 on or before March 31, 2011).

As at the date of this MD&A, the Corporation has 45,632,140 common shares outstanding, together with 1,674,111 warrants, 308,377 finder's warrants and 3,450,000 vested stock options.

<u>Risk and Uncertainties:</u>

Nature of Mineral Exploration and Mining

At the present time, the Corporation does not hold any interest in a mining property in production. The Corporation's viability and potential for success lie in its ability to develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Corporation has an interest will result in a profitable commercial mining operation.

The operations of the Corporation are subject to all of the hazards and risks normally incidental to the exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Corporation may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Corporation has interests. Hazards, such as unusual or unexpected formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Corporation cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Corporation and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

No Significant Revenues

To date, the Corporation has not recorded any revenues, other than interest and investment income and management fees and it has no dividend record. The Corporation has not commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Corporation will be profitable in the future. The Corporation's operating expenses and capital expenditures will increase in subsequent years as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of the Corporation's properties increase. The Corporation expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Corporation's properties will require the commitment of substantial resources to conduct time consuming development. There can be no assurance that the Corporation will generate any revenues or achieve profitability.

Financing Risks

The Corporation has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Corporation with the possible dilution or loss of such interests.

Current Global Financial Condition

Current global financial conditions have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both the rapid decline in value of sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of its common shares may be adversely affected.

Dilution and Future Sales of Common Shares

The Corporation may issue additional shares in the future, which would dilute a shareholder's holdings in the Corporation. The Corporation's articles permit, among other things, the issuance of an unlimited number of common shares.

Going Concern

Values attributed to the Corporation’s assets may not be realizable. The Corporation has a limited history and its ability to continue as a going concern depends upon a number of significant variables. The amounts attributed to the Corporation’s exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value. Further, the Corporation has no proven history of performance, revenues, earnings or success. As such, the Corporation’s ability to continue as a going concern is dependent upon the existence of economically recoverable resources, the ability of the Corporation to obtain the necessary financing to complete the development of its interests and future profitable production or, alternatively, upon the Corporation's ability to dispose of its interests on a profitable basis.

Dependence on Key Personnel

The Corporation is dependent on a relatively small number of key employees or consultants, the loss of any of whom could have an adverse effect on its operations. The Corporation currently does not have key person insurance on these individuals.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Corporation has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Corporation or a subsidiary where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interests of the Corporation in any of its properties may not be challenged or impugned.

Permits and Licences

The operations of the Corporation require licences and permits from various governmental authorities. The Corporation believes that it presently holds all necessary licences and permits required to carry on with activities which it is currently conducting under applicable laws and regulations and the Corporation believes it is presently complying in all material respects with the terms of such licences and permits. However, such licences and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Corporation will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations at its projects.

Fluctuating Prices

Factors beyond the control of the Corporation may affect the marketability of any iron ore or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

Estimates of Mineral Resources

Although inferred minerals resource estimates included in the Corporation’s filings on SEDAR have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of mineral resources can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short term factors relating to mineral resources, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral resources are reported as general indicators of mine life. Mineral resources should not be interpreted as assurances of potential mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and corresponding grades. Until ore is actually mined and processed, mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on mineral prices. Any material change in resources or mineral resources, or grades or stripping ratios will affect the economic viability of the Corporation's projects.

The Corporation's Activities are Subject to Extensive Governmental Regulation

Exploration, development and mining of minerals are subject to extensive federal, provincial and local laws and regulations governing acquisition of the mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters.

Environmental Regulations

The operations of the Corporation are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Corporation's operations are subject to environmental regulation primarily by the Ministry of the Environment (Ontario). In addition, the Department of Fisheries & Oceans (Canada) and the Department of the Environment (Canada) have an enforcement role in the event of environmental incidents.

Conflicts of Interest

The directors and officers of the Corporation may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation. In the event that such a conflict of interest arises at a meeting of the directors of the Corporation, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest, to withdraw from meetings where such matters are discussed and to abstain from voting on the matter.

Joint Ventures and Option Agreements

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also be the case that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. In some of those arrangements, failure of a participant to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated. The Corporation may enter into option agreements and joint ventures as a means of gaining property interests are raising funds. Any failure of any option or joint venture partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on such agreements. In addition, the Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Corporation, in the search for and acquisition of attractive mineral properties. The ability of the Corporation to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Infrastructure

Some of the Corporation's properties are located at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure such as roads, railroads, electrical and gas transmission lines, which could add to time and cost required for mine development. Similarly, some of the Corporation's mineral deposits are located near or under lakes, which could require the construction of dams, dykes and other systems or the construction of underground mining facilities, which could add to time and cost required for mine development.

Fluctuating Prices

Factors beyond the control of the Corporation may affect the marketability of any iron or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control. The effect of these factors cannot accurately be predicted. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

Approval:

The MD&A was reviewed and approved by the Board of Directors of the Corporation and is effective as of April 29, 2010.

Additional Information:

Additional information relating to the Corporation is available on SEDAR at www.sedar.com.