GRIZZLY DISCOVERIES INC.

(the "**Company**" or "**Grizzly**")

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2013 and 2012

The following MD&A, approved by the Audit Committee of the Board of Directors of the Company on March 28, 2013 should be read together with the condensed consolidated interim financial statements of the Company for the three and six months ended January 31, 2013 and 2012, prepared in accordance with *International Accounting Standard 32* ("**IAS 32**") and the consolidated financial statements for the years ended July 31, 2012 and 2011 and the notes thereto prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

It is important to note that:

• Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of the date of this MD&A.

• Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

• The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and "Business Risks".

Description of Business

Grizzly Discoveries Inc. is a development stage company engaged in the acquisition, exploration and development of potash and diamonds on properties in Alberta and precious metals on properties in British Columbia.

Grizzly is a reporting issuer in Alberta, and trades on the TSX Venture Exchange under the symbol GZD, on the Frankfurt Stock Exchange under the symbol G6H - WKN-A0F464, and on the OTCQX International Tier under the symbol GZDIF.

Overall Performance

The Company has no operating revenue to date; the only cash income earned is from interest on deposits. The Company relies on the issuance of common shares to finance exploration and to provide working capital. The majority of the Company's financial assets are expended in the acquisition and exploration of its mineral properties, which is reflected in the Company's consolidated financial statements as an increase in mineral properties on the balance sheet.

Additions to the capitalized balance of the Company's mineral properties in the current and comparative periods are detailed in the following tables:

	Alberta Diamond Properties	**Alberta Potash Properties**	**BC Precious Metals Properties**	**Total**
	$	$	**$**	**$**
Balance, July 31, 2011	5,441,467	746,060	6,392,596	12,580,123
Acquisition and land use	-	24,783	71,284	96,067
Fieldwork and geological consulting	4,377	121,052	1,063,773	1,189,202
Geophysics	-	(54,003)	22,600	(31,403)
Drilling	-	1,466,012	429,455	1,895,467
Assay and analysis	-	-	330,367	330,367
Balance, January 31, 2012	5,445,844	2,303,904	8,310,075	16,059,823
Balance, July 31, 2012	1	2,541,811	8,235,473	10,777,285
Acquisition and land use	-	(1,377)	3,696	2,319
Fieldwork and geological consulting	-	36,744	114,562	151,306
Assay and analysis	-	-	2,012	2,012
Evaluation and reporting	-	8,180	5,669	13,849
Mineral Tax Credit	-	-	(13,797)	(13,797)
Balance, January 31, 2013	**1**	**2,585,358**	**8,347,615**	**10,932,974**

Selected Annual Information

The following table summarizes audited financial data for annual operations reported by the Company for the years ended July 31, 2011 and 2010 under Canadian GAAP, and for the years ended July 31, 2012 and 2011, and balance sheet items as at July 31, 2010, under IFRS.

For the year ended or as at	July 31, 2012 *IFRS*	July 31, 2011 *IFRS*	August 1, 2010 *IFRS*	July 31, 2011 *Canadian GAAP*	July 31, 2010 *Canadian GAAP*
Total assets ($)	12,691,968	19,267,725	12,186,626	19,267,725	12,186,626
Mineral properties ($)	10,777,285	12,580,123	9,937,770	12,580,123	9,937,770
Current liabilities ($)	184,883	833,116	343,826	617,296	315,383
Interest income ($)	38,180	34,436	n/a	34,436	6,195
Net loss ($)	5,442,384	1,011,592	n/a	826,134	727,579
Basic and diluted loss per common share ($)	0.11	0.03	n/a	0.02	0.03
Weighted average number of common shares outstanding	48,461,813	37,012,151	n/a	37,012,151	25,173,569

Summary of Quarterly Results

The following table summarizes financial data reported by the Company, adjusted for changes arising from the Company's first consolidated financial statements prepared under IFRS, for the eight quarters preceding the Company's most recent financial year end of July 31, 2012, prepared using IFRS.

Period ended	Jan 31, 2013	Oct 31, 2012	Jul 31, 2012	Apr 30, 2012	Jan 31, 2012	Oct 31, 2011	Jul 31, 2011	Apr 30, 2011
Net loss ($)	214,833	115,732	4,645,369	188,671	404,736	203,608	434,004	164,926
Basic and diluted loss per common share ($)	0.00	0.00	0.10	0.00	0.01	0.00	0.01	0.00

Fluctuations in the Company's net loss are due primarily to: the recognition of share based compensation costs arising from the issuance and vesting of stock options; flow through share premium income arising from incurring qualifying exploration expenditures; one time impairment charges; and deferred taxes arising from certain of the aforementioned transactions. Specific variances in the current three and six month periods compared to the comparative periods are discussed below.

Results of Operations – Three Months Ended January 31, 2013

The Company incurred a net loss for the three months ended January 31, 2013 of $214,833 (2011 – $404,736). Items comprising the net loss varied in the three months ended January 31, 2013 compared to the three months ended January 31, 2012 as explained below.

General and administrative expenses incurred in the three months ended January 31, 2013 of $157,031 were significantly lower than the comparative three month period ended January 31, 2012 of $249,397 due to the Company's strategy to reduce general and administrative costs to the minimum required to maintain the Company's operations while still advancing the Company's mineral projects. A description of significant variances follows:

- Advertising and promotion costs of $23,225 (2012 - $63,855) were incurred for promotion of the Company and decreased substantially in the current period as the Company has reduced amounts allocated to promotional activities as a cost saving measure.

- Conferences and corporate travel expenses of $90 (2012 - $40,840) were negligible. In the comparative quarter ended January 31, 2012, the Company had participated in additional industry and investor conferences and had incurred additional corporate travel costs. The Company is currently prioritizing conference attendance and corporate travel to minimize such costs.

- Consulting fees of $65,995 (2012 – $91,549) were paid to management, administration, and investor relations consultants for the management, promotion, and normal business operations of the Company and were lower compared to the previous quarter due to changes in the Company's accounting and administrative capacity, as well as reduced costs related in investor relations consulting activities.

- Office and administration costs of $21,206 (2012 - $27,723) incurred for regular office costs including: office rent and supplies; insurance; computer software; and communications and internet. The small variance between periods is primarily due to postage fees related to materials for the Company's annual shareholders' meeting which were incurred in the comparative quarter, however were not incurred in the current year until subsequent to January 31, 2013.

- Regulatory and transfer fees of $8,792 (2012 - $10,403) were incurred for regulatory fees and fees to the Company's transfer agent, and varied between the current and comparative periods due to increased filings to the TSXV in the comparative quarter.

- Depreciation on equipment of $1,880 (2012 - $2,686) resulting from equipment purchased in the year ended July 31, 2011 and varies due to the use of a declining balance depreciation calculation.

- Professional fees of $35,843 (2012 - $12,341) were incurred for audit and legal fees and corporate governance and increased in the current quarter due to final billings for the Company's audit for the 2012 fiscal year exceeding estimates, and for legal work related to financing activities which were not competed due to market factors.

The Company also recognized $10,000 (2012 - $32,650) in share based compensation expense related to the issuance of stock options to individuals in the period. The valuation of the stock options, as described in the Financial Statements, has been calculated using the Black Scholes option pricing model. The comparative period included share based compensation expense related to the vesting of stock options granted in a prior period.

During the three months ended January 31, 2013, a marketable security included in other current assets on the Company's consolidated statement of financial position was determined by the Company to be impaired as the security no longer trades on an exchange. The Company has impaired the carrying value of the marketable security, which had an original cost of $56,000 and a fair value of $3,000 at July 31, 2012, to nil, and has reclassified the resulting loss of $56,000 from accumulated other comprehensive income to net loss in the period.

Offsetting the above expenses was interest income of $1,182 (2012 – $12,399) earned from financial institutions on the Company's cash deposits, and, in the three months ended January 31, 2012, a flow through share premium income of $185,565 (2013 - nil) as a result of recognizing a deferred flow through share premium in profit and loss as flow through eligible expenditures were incurred. As described in the Financial Statements, the basis for calculating the flow through share premium upon the issuance of flow through shares was refined during the preparation of the company's consolidated financial statements for the year ended July 31, 2013, and the amounts included in the comparative column in the current Financial Statements have been adjusted accordingly over those amounts originally reported in the Company's condensed consolidated interim financial statements for the three months ended January 31, 2012.

A deferred tax recovery of $7,016 has been recognized in the current quarter resulting from the derecognition of deferred tax assets arising from fair value adjustments to the carrying value of marketable securities, recorded as a component of other comprehensive income, and the impairment of marketable securities described above. Included in the net loss for the three months ended January 31, 2012, a deferred tax expense of $320,653 was recognized primarily as a result of: temporary differences in accounting versus tax carrying values of the Company's mineral property as a result of incurring flow through expenditures; and the recognition of accrued non-capital tax losses carried forward arising in the period. At July 31, 2012 and January 31, 2013, the Company's recognized deferred income tax liability amount is nil as, due to an impairment to mineral properties recorded in the year ended July 31, 2012, the Company's total deferred tax assets now exceed its total deferred tax liabilities. As such, the Company is no longer recognizing deferred tax liabilities until such time as the total deferred offsettable tax liabilities again exceed the Company's total deferred tax assets.

Results of Operations – Six Months Ended January 31, 2013

The Company's net loss for the six months ended January 31, 2013 was $330,565 (2012 - $608,344). Significant variances other than those discussed above in the section *Results of Operations – Three months ended January 31, 2013*.

General and administrative costs for the six months ended January 31, 2013 were $268,617 and varied from the comparative period's amount of $411,518 as follows:

- Advertising and promotion costs of $32,116 (2012 - $81,216) were incurred for promotion of the Company and decreased substantially due to non-critical cost savings as described above.

- Conferences and corporate travel expenses of $4,101 (2012 - $56,007) decreased significantly in the current period compared to the comparative period due to drastically reduced corporate travel and investor and industry conference attendance. As discussed above, the Company is currently prioritizing conference attendance and corporate travel to minimize such costs.

- Consulting fees of $122,292 (2012 – $183,521) were paid to management, administration, and investor relations consultants for the management, promotion, and normal business operations of the Company and were lower compared to the previous quarter due to changes in the Company's accounting and administrative capacity, as well as reduced costs related in investor relations consulting activities.

- Office and administration costs of $43,647 (2012 - $42,506) incurred for regular office costs including: office rent and supplies; insurance; computer software; and communications and internet. The small variance discussed above related to the delivery of materials to shareholders was offset by higher office rent in the current period as a result of changes in the Company's administrative and accounting capacity.

- Regulatory and transfer fees of $14,179 (2012 - $22,097) were incurred for regulatory fees and fees to the Company's transfer agent, and varied between the current and comparative periods due to differential timing of events between periods, as well as increased filings to the TSXV in the comparative quarter.

- Depreciation on equipment of $3,760 (2012 - $5,372) resulting from equipment purchased in the year ended July 31, 2011 and varies due to the use of a declining balance depreciation calculation.

- Professional fees of $48,522 (2012 - $20,799) were incurred for audit and legal fees and corporate governance and increased in the current quarter due to final billings for the Company's audit for the 2012 fiscal year exceeding estimates, and for legal work related to various contemplated transactions in the current six month period.

Share based compensation expense for the six months ended January 31, 2013 of $16,561 (2012 - $38,633) included $10,000 related to the issuance of options described above, as well as $6,561 from the vesting of

options granted in the previous fiscal year. Share based compensation expense varies significantly as share options are not granted on a regular basis.

The nature of, and variances in, the flow through share premium of nil (2012 - $190,083), the impairment charge of $56,000 (2012 – nil), and the deferred tax recovery of $7,016 (2012 – expense of $376,646) are described above in the section *Results of operations – three months ended January 31, 2013*.

Liquidity and Capital Resources

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, particularly the exploration and potential development of its mineral properties, are dependent upon its ability to continue to obtain adequate financing in the future, for which there is no guarantee the Company will be successful in obtaining on terms acceptable to the Company.

At January 31, 2013 the Company had working capital of approximately $1.3 million, compared to $1.7 million at July 31, 2012. As of the date of this MD&A, the Company's working capital is approximately $1.1 million, including approximately $0.3 million in cash, and the Company has no long term financial liabilities.

Outstanding Share Data

The following table summarizes the Company's outstanding share capital:

	March 28 2013
Common shares outstanding	48,725,268
Stock options, weighted average $0.13, weighted average 2.6 years remaining	4,465,000
Fully diluted	**53,190,268**

During the period ended January 31, 2013, the Board of Directors of the Company authorized an amendment to the terms of a total of 3,715,000 outstanding stock options ("Re-priced Options") to amend the exercise price to $0.10. The original exercise prices of the Re-priced Options ranged from $0.30 to $0.75. Pursuant to the policies of the TSX Venture Exchange, the re-pricing of stock options held by insiders of an issuer (as defined by the policies of the TSX Venture Exchange) was subject to the approval of non-interested shareholders. As such, 1,310,000 of the 3,715,000 Re-priced Options held by non-insiders were exercisable at the amended exercise price immediately, however the remaining 2,405,000 Re-priced Options held by insiders of the Company were not exercisable at the amended exercise price until non-interested shareholder approval was obtained. The shareholders of the Company approved a resolution authorizing the re-pricing of the options held by insiders subsequent to January 31, 2013. As such, as at the date of this MD&A, all outstanding stock options of the Company are vested and exercisable.

Concurrent with the above, the Board of Directors authorized the issuance of an additional 200,000 stock options to two consultants of the Company, issued under the Company's stock option plan, and with an exercise price of $0.10.

In addition, subsequent to January 31, 2013, the Company appointed a new Chief Operating Officer, Mr. Ian Lambert (see below), and issued 300,000 stock options to Mr. Lambert upon his appointment. Mr. Lambert's options have been issued under the Company's stock option plan and are exercisable at $0.10 per option.

Changes in Management

On March 15, 2013, the Company appointed Mr. Ian Lambert to a newly constituted officer position of Chief Operating Officer. Mr. Lambert has over 30 years of experience in resources exploration and public company management. He was formerly CEO and a director for twenty-one years of Trade Winds Ventures Inc. ("Trade Winds"), a TSX Venture Top 50 company which was developing a multi-million ounce gold project in Ontario prior to the successful sale of Trade Winds to Detour Gold Corporation in a transaction that valued Trade Winds at $84 million. In addition to precious metals and mineral exploration and development, Mr. Lambert's experience includes exposure to a wide range of business activities including oil and gas development, marketing, manufacturing, and software development.

Mr. Lambert has been mandated to lead the Company's strategic development, including strategies to advance the Company's mineral exploration projects, focusing initially on the Alberta Potash Project, to provide increased shareholder value.

Mineral Properties

Greenwood Gold Project, BC Precious Mineral Properties, Canada

On February 7, 2011, the Company announced follow-up drilling results for the Greenwood Gold Project, including the discovery of widespread low grade gold associated with skarn-type alteration at Ket 28 and Copper Mountain; and excellent potential for discovery of large tonnage, bulk mineable, porphyry style copper-gold deposits at the high priority Dayton area near the historic Mt. McKinney gold camp, based upon the presence of widespread copper-gold mineralization.

During 2010, drilling was completed at various project areas within the Greenwood Property:

- Approximately 1,700 metres ("m") in 12 drill holes were completed on gold targets at the Copper Mountain area north of Midway, B.C.

- Approximately 640 m in 4 drill holes were completed on the copper-gold-silver-platinum Sappho prospect in the Greenwood area.

- Approximately 700 m in 3 drill holes were completed on gold targets at the Ket 28 area west of Rock Creek, B.C.

- Approximately 940 m in 8 drill holes were completed in on copper-gold targets in the Dayton area west of Rock Creek, B.C.

2010 Drilling Results – Copper Mountain Area, Greenwood

During the summer of 2010, twelve drill holes were completed at four separate gold targets at the Copper Mountain area. Wide zones of low grade gold ("Au") and silver ("Ag") mineralization, accompanied by widespread propylitic alteration, biotite hornfels and silicification were intersected in a number of drill holes at spatially separate targets including Mabel Jenny, Mabel Jenny North and the Prince of Wales (Table 1). The best intersection was in drill hole 10CM07, which intersected 0.75 grams per tonne (g/t) Au over 42.0 m core length at the Prince of Wales target. The zone yielded a higher grade core with1.0 g/t Au, 4.65 g/t Ag, 0.03 % copper ("Cu") and 0.3 % zinc ("Zn") over 30 m core length. The mineralization is hosted in a wide and intense zone of biotite hornfels with abundant pyrite and arsenopyrite within Knob Hill Formation sediments.

Three follow-up holes were drilled at the Prince of Wales target along with two follow-up drillholes at the Mabel Jenny North target for a total of 761 m in five drill holes at the Copper Mountain area in November, 2010. Extensive zones of sulphide-bearing siliceous biotite hornfels were intersected in all five follow-up holes drilled. Pyrite with minor arsenopyrite, pyrrhotite, chalcopyrite, and sphalerite represent the main sulphides present. The most intense sulphide zones are often adjacent to syenite dykes. Follow-up drill hole 10CM09, which was drilled beneath the discovery hole (10CM07) at the Prince of Wales target, yielded an 8

m core interval of sulphide-bearing epidote-garnet-magnetite skarn along with several intervals of sulphide-bearing siliceous biotite hornfels. The hole yielded 0.15 g/t Au, 0.018 % Cu and 0.019 % Zn over 65.67 m core length with a high-grade interval of 2.32 g/t Au, 3.35 g/t Ag, 0.031% Cu and 0.108% Zn over 3.59 m. Hole 10CM10 also intersected significant low-grade but wide mineralization with 0.15 g/t Au, 1.02 g/t Ag, 0.016% Cu and 0.036% Zn over 67 m core length.

Table 1 - Summary assay results for Copper Mountain drill holes.

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Pt (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Target
10CM01	**121**	**163.8**	**42.8**	**0.21**	-	-	-	-	**Mabel Jenny (MJ)**
includes	145	163	14.2	0.4	-	-	-	-	
includes	146.45	147.35	0.9	1.13	-	-	-	-	
10CM02	14.7	15.8	1.1	1.85	-	-	-	-	Mabel Jenny (MJ)
10CM03	43.5	45	1.5	0.5	-	-	-	-	Coronation
10CM04	No significant assays								Coronation
10CM05	**22**	**45.5**	**23.5**	**0.13**	-	**-**	**-**	**-**	**MJ North**
includes	35	41	6.0	0.32	-	-	-	-	
10CM06	**35**	**53**	**18.0**	**0.32**	-	**0.49**	**-**	**-**	**MJ North**
includes	39.5	45.5	6.0	0.76	-	0.75	-	-	
10CM07	**41**	**83**	**42.0**	**0.75**	-	**3.91**	**0.03**	**0.24**	**Prince of Wales**
includes	**44**	**74**	**30.0**	**1.00**	-	**4.65**	**0.03**	**0.30**	
includes	**66**	**71**	**5.0**	**4.31**	-	**10.14**	**0.06**	**1.21**	
10CM08	70.0	71.03	1.03	0.41	-	0.5	-	0.038	Prince of Wales
10CM09	**65.69**	**131.36**	**65.67**	**0.15**	-	**-**	**0.018**	**0.019**	
Includes	**71.5**	**75.09**	**3.59**	**2.32**	-	**3.35**	**0.031**	**0.108**	
Includes	**74.0**	**75.09**	**1.09**	**7.12**	-	**4.1**	**0.048**	**0.018**	
10CM10	**43.5**	**110.5**	**67.0**	**0.15**	-	**1.02**	**0.016**	**0.036**	**Prince of Wales**
includes	**43.5**	**46.5**	**3.0**	**1.03**	-	**0.63**	**0.013**	**0.12**	
includes	**53.0**	**88.36**	**35.36**	**0.14**	-	**1.48**	**0.023**	**0.041**	
includes	**62.0**	**74.0**	**12.0**	**0.34**	-	**1.91**	**0.022**	**0.067**	
10CM11	**50.59**	**57.66**	**7.07**	**1.1**	-	**2.12**	**0.08**	**-**	**Mabel Jenny MJ)**
Includes	**53.5**	**56.5**	**3.0**	**2.12**	-	**3.7**	**0.132**	**-**	
10CM12	70.93	77.81	6.98	0.11	-	1.33	0.046	-	Mabel Jenny

At the Mabel Jenny North target, approximately 1.25 km east of the Prince of Wales target, a significant zone of sulphide bearing biotite hornfels within Knob Hill Formation sediments was intersected during the summer, of 2010, adjacent to an intensely propylitic altered diorite in drill hole 10CM06, yielding 0.32 g/t Au and 0.49 g/t Ag over 18.0 m core length (Table 1). Follow-up drilling at the Mabel Jenny North target, yielded several narrow (0.5 m to 1.5 m) intersections of near-massive sulphide (pyrite and pyrrhotite) in drillholes 10CM11 and 10CM12 within much wider zones of sulphide-bearing siliceous biotite hornfels. Drill hole 10CM11 yielded 1.1 g/t Au, 2.12 g/t Ag and 0.08% Cu over 7.07 m core length (Table 1).

At the Mabel Jenny target, approximately 300 m southwest of the Mabel Jenny North target, drill hole 10CM01 was collared in and intersected an intensely propylitic altered diorite, which yielded 0.21 g/t Au over 42.8 core length. The diorite is auriferous and weakly to intensely propylitic altered over its entire intersection from surface to 163.8 m core length.

Large zones of auriferous biotite hornfels and silicification within late Paleozoic to Triassic sediments appear to be related to weakly deformed and intensely propylitic altered diorite plugs and stocks in the Copper Mountain area. The gold mineralization intersected in drill holes 10CM01, 10CM05, 10CM06,10CM07, 10CM09, 10CM10 and 10CM11 is open in all directions. The sources of the numerous high-grade gold in rock grab samples obtained by APEX Geoscience Ltd. field crews during 2009 and 2010 (with up to 129 g/t

Au at Coronation and 19.3 g/t Au at Mabel Jenny) remain to be identified even though the rock grab samples were selective in nature.

2010 Drilling Results – Sappho Area, Greenwood

The Sappho alkaline intrusive complex was targeted with 4 drill holes for a total of 640 m during the summer of 2010. Drill holes 10SP01 and 10SP02 were drilled to target the North and Main historic surface showings of Cu, Ag, Au and platinum (Pt), respectively. The drilling results confirmed the mineralization identified at surface, which included results of 0.11 g/t Pt and 0.025% Cu across 12.0 m core length in hole 10SP01 along with 0.26 g/t Au and 0.036% Cu across 6.0 m core length in hole 10SP02 (Table 2). Assays of selective rock grab samples from the North showings yielded up to 8.28% Cu, 75.3 g/t Ag, 0.64 g/t Au and 27.1 g/t Pt and up to 13.1% Cu, 298 g/t Ag, 2.2 g/t Au and 2.99 g/t Pt at the Main showings.

Drill hole 10SP03 targeted a blind magnetic anomaly within the Sappho alkaline complex and intersected skarn and hornfels in conjunction with highly altered monzodiorite and pyroxenite and yielded 0.124% Cu, 0.018% Zn, 8.68 g/t Ag, 0.22 g/t Au and 0.07 g/t Pt over 63.5 m core length with narrow higher-grade zones at the upper and lower contacts of the hornfels to skarn zone (Table 2). The mineralization is hosted in a wide and intense zone of biotite-garnet-magnetite hornfels to skarn with abundant pyrite and chalcopyrite.

Table 2 - Summary assay results for Sappho drill holes.

Hole ID	**From (m)**	**To (m)**	**Length (m)**	**Au (g/t)**	**Pt (g/t)**	**Ag (g/t)**	**Cu (%)**	**Zn (%)**	**Target**
10SP01	24.5	89.0	64.5	-	0.04	-	0.023	-	Sappho North
includes	48.5	89.0	40.5	-	0.06	-	0.021	-	"
includes	78.5	89.0	10.5	-	0.11	-	0.025	-	"
10SP01	105.5	117.5	12.0	0.12	-	0.66	-	-	"
10SP02	32.0	85.4	53.4	-	-	-	0.028	-	Sappho Main
includes	32.0	59.0	27.0	0.09	-	-	0.020	-	"
includes	45.5	59.0	13.5	0.14	-	-	0.033	-	"
includes	53.0	59.0	6.0	0.26	-	-	0.036	-	"
includes	75.5	85.4	9.9	-	-	-	0.041	-	"
10SP03	**51**	**144.5**	**93.5**	**0.17**	**0.06**	**6.05**	**0.089**	**0.015**	**Sappho Mag1**
includes	**64.0**	**127.5**	**63.5**	**0.22**	**0.07**	**8.68**	**0.124**	**0.018**	**"**
includes	**64.0**	**71.0**	**7.0**	**0.63**	**0.18**	**68.4**	**0.408**	**0.039**	**"**
includes	**121.0**	**127.5**	**6.5**	**0.75**	**0.34**	**6.57**	**0.306**	**0.010**	**"**
10SP04	Highest Core Sample Assay			0.29	-	8.10	0.074	-	Sappho Mag2

2010 Drilling Results – Ket 28 Area, Greenwood

Three follow-up holes totaling 693 m were drilled during November, 2010 to test the depth and plunge extent of gold mineralization spatially associated with known zones of brecciation, quartz veins, and alteration at the Ket 28 target area. All three follow-up drillholes intersected sulphide mineralization spatially associated with zones of brecciation, quartz veins and hornfels type alteration. Drillhole 10KT02, drilled down plunge and north of the main zone intersected in 2009, yielded a wide low grade gold zone with 0.21 g/t Au across 111.5 m core length with a higher grade zone of 1.19 g/t Au across 10.35 m core length and a highest grade sample of 6.98 g/t Au across 1.35 m (Table 3). Further drilling is being planned to track the Ket 28 gold zone down plunge to the northwest.

Table 3 - Summary assay results for 2010 Ket 28 drill holes.

Hole ID	**From (m)**	**To (m)**	**Length (m)**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	Zn **(%)**	**Target**
10KT01	104.5	110.5	6.0	0.22	-	-	0.01	Ket 28
	155.73	189.5	35.0	0.08	-	-	0.01	
Includes	178.5	183.97	5.47	0.28	-	-	-	
10KT02	**64.0**	**175.5**	**111.5**	**0.21**	**-**	**-**	**0.01**	**Ket 28**
includes	**64.0**	**118.9**	**54.9**	**0.36**	**0.66**	**-**	**0.016**	
includes	**71.5**	**96.0**	**24.5**	**0.68**	**0.79**	**-**	**0.02**	
includes	**72.5**	**75.65**	**3.15**	**1.0**	**1.24**	**0.01**	**0.013**	
includes	**86.65**	**96.0**	**10.35**	**1.19**	**0.8**	**-**	**0.03**	
includes	**85.65**	**87.0**	**1.35**	**6.98**	**2.6**	**0.014**	**0.11**	
10KT03	87.0	124.0	37.0	0.1	-	-	0.013	Ket 28
includes	98.5	113.5	15.0	0.2	0.63	-	0.014	

2010 Drilling Results – Dayton Target Area, Greenwood

During August and early September 2010 a total of 1,021 soil samples were collected at the Dayton Prospect over a grid approximately 2.0 km by 1.4 km with 50 m lines and 25 m stations. A total of 40 soil samples yielded at least 50 parts per billion ("ppb") Au up to a maximum of 272 ppb Au defining an excellent soil geochemical anomaly area 200 m wide by 450 m long as a potential Au target. The gold anomaly is accompanied by a strong Cu anomaly with more than 100 soil samples containing greater than 100 parts per million ("ppm") up to 1,225 ppm Cu. The Au-Cu anomaly has seen some historic percussion drilling during the late 1980's but is inadequately drilled. Surface rock grab sampling and geological mapping have identified the presence of abundant pyrite and chalcopyrite associated with hornfels and skarn spatially associated with altered alkaline intrusive rocks.

A total of 939.5 m in 8 drillholes were completed along two east-west oriented transects 200 m apart, across the soil anomaly and produced a new discovery of widespread copper-gold mineralization at the Dayton Target Area. Drillholes 10DA01 to 10DA06 encountered widespread sulphides, predominately pyrite and chalcopyrite, accompanied by intense alteration, silicification and widespread copper-gold mineralization. The mineralization transects a variety of rock types including several varieties of diorite, quartz-feldspar porphyry, volcanic breccias, hornfels, basalts and mudstone. In a number of drillholes, anomalous Cu and Au mineralization is present throughout the entire length of core from the top to the bottom of the drill hole.

Drill hole 10DA01 yielded 0.18 g/t Au and 0.029% Cu across 96.0 m core length with a higher grade portion of 0.61 g/t Au and 0.042% Cu across 8.1 m core length. Drill hole 10DA02 yielded 0.18 g/t Au and 0.055% Cu across 86.5 m core length with a higher grade portion of 0.21 g/t Au and 0.085% Cu across 21.47 m core length, and hole 10DA04 yielded 0.15 g/t Au and 0.078% Cu across 92.24 m with a higher grade portion of 0.18 g/t Au and 0.091% Cu across 45.5 m core length (Table 4).

During May and June 2011, a three dimensional induced polarization (IP) electromagnetic (EM) survey was carried out in the Dayton area. Three significant IP anomalies, ranging from 250m to 400 m in diameter were identified by the survey and targeted during 2011 drilling.

2011 Exploration and Drilling Results – Dayton Target Area, Greenwood

During May and June, 2011, an Induced Polarization "IP" electromagnetic (EM) survey was conducted at the Dayton target area. The survey yielded three separate IP chargeability EM anomalies with two of the anomalies of interesting size and depth extent. The main anomaly (IP1) that is coincident with a number of gold in soil anomalies defined during 2010, is 200 m x 300 m in areal extent and the second anomaly (IP2), which is also coincident with a few anomalous gold in soil anomalies, is roughly 150 m by 200 m. Drilling to test the IP anomalies commenced in mid October at the Dayton target area. The first two holes in the 2011 drilling program tested the IP1 and IP2 anomalies. Each hole intersected significant thicknesses (greater than 50 m of core length) of brecciated volcanics, volcaniclastics and sediments with intervals of silicification, quartz vein stockworks and associated sulphides. A total of 1838 m in 6 holes were completed at a variety of targets in the Dayton area. Drilling wrapped up at the Dayton target area in mid November.

Table 4 - Summary assay results for 2010 Dayton drill holes.

Hole ID	**From (m)**	**To (m)**	**Length (m)**	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	Cr **(%)**	**Target**
10DA01	**3.3**	**149.0**	**145.7**	**0.13**	**-**	**0.025**	**-**	**Dayton**
Includes	**28.0**	**124.0**	**96.0**	**0.18**	**-**	**0.029**	**-**	
Includes	**83.32**	**91.5**	**8.18**	**0.61**	**-**	**0.042**	**0.036**	
Includes	**90.0**	**91.5**	**1.5**	**1.83**	**-**	**0.041**	**0.066**	
10DA02	**6.5**	**93.0**	**86.5**	**0.18**	**-**	**0.055**	**-**	**Dayton**
Includes	**29.03**	**50.50**	**21.47**	**0.21**	**-**	**0.085**	**-**	
And	**82.0**	**90.5**	**8.5**	**0.4**	**-**	**0.07**	**-**	
10DA03	**5.1**	**134.0**	**128.9**	**0.13**	**-**	**0.034**	**-**	**Dayton**
Includes	**5.1**	**60.5**	**55.4**	**0.21**	**-**	**0.019**	**-**	
Includes	**11.5**	**47.5**	**36.0**	**0.23**	**-**	**0.013**	**0.027**	
and	**117.0**	**130.5**	**13.5**	**0.13**	**-**	**0.168**	**-**	
10DA04	**4.76**	**97.0**	**92.24**	**0.15**	**-**	**0.078**	**0.034**	**Dayton**
Includes	**50.0**	**95.5**	**45.5**	**0.18**	**-**	**0.091**	**0.034**	
10DA05	**3.0**	**95.0**	**92.0**	**0.12**	**-**	**0.065**	**0.02**	**Dayton**
Includes	**19.5**	**61.0**	**41.5**	**0.16**	**1.0**	**0.095**	**0.021**	
10DA06	**7.0**	**64.77**	**57.77**	**0.12**	**-**	**0.059**	**0.033**	**Dayton**
Includes	**8.5**	**43.5**	**35.0**	**0.15**	**-**	**0.071**	**0.038**	
10DA07	1.5	114.0	112.5	0.03	-	0.014	0.04	Dayton
10DA08	2.0	89.56	87.56	0.08	-	0.02	0.014	Dayton

The first hole (11DA09), which tested anomaly IP2 and some gold in soil anomalies, intersected a wide zone of bulk tonnage style, low grade gold-copper mineralization grading 0.25 g/t Au and 0.07% Cu over 117 m core length (Table 5). This mineralized zone starts at surface immediately below the casing and is comprised of a higher grade zone of 0.43 g/t Au and 0.15% Cu over 51.0 m core length at the top of the interval (Table 5). The Au-Cu mineralization is hosted in basalt with significant breccia zones comprised of basalt and feldspar porphyry clasts with silicification and up to 5% pyrite and minor chalcopyrite. Other than anomalous silver, barium and phosphorous, few other anomalous trace elements are present. The style of mineralization and alteration is typical of intrusion related (calc-alkaline) porphyry style Au-Cu deposits. Further drilling is required to test the extent of the IP2 Au-Cu zone to depth and along strike to the northeast.

The second hole (11DA10), provided results similar to the first drill hole (11DA09), yielding a wide, bulk tonnage style, low grade gold-copper zone of mineralization grading 0.14 g/t Au and 0.03% Cu over 121.5 m

of core length (Table 5). Similar to drill hole 11DA09, the low grade bulk tonnage style mineralization starts at surface immediately below the casing and continues over most of the length of the drill hole. The Au-Cu mineralization is hosted in a unit of basalt with significant breccia zones comprised of basalt and feldspar porphyry clasts with silicification and up to 5% pyrite and minor chalcopyrite. Other than anomalous silver, barium and phosphorous, few other anomalous trace elements are present. The style of mineralization and alteration is in line with intrusion related porphyry style Au-Cu deposits.

Results for the last four holes drilled at the Dayton area in 2011 (11DA011 to 11DA14) have indicated wide, bulk tonnage style, low grade Au-Cu zones of mineralization (Table 5) similar to the first two holes (11DA09 and 11DA10). Drillhole 11DA13 was drilled into the main Dayton chargeability anomaly (IP1) and yielded 0.10 g/t Au and 0.04% Cu over 315.71 m of core length with a higher grade zone of 0.24 g/t Au and 0.1% Cu over 37.0 m core length (Table 5). Similar to drillhole 11DA09, the low grade bulk tonnage style mineralization starts at surface immediately below the casing and continues over most of the length of the drill hole. The Au-Cu mineralization is hosted in mixed basalt and hornfelsed sediments with significant zones of breccia with feldspar porphyry clasts, discreet felsic intrusions, silicification and up to 5% pyrite and minor chalcopyrite. The style of mineralization and alteration is in line with intrusion related porphyry style Au-Cu deposits.

Table 5 - Summary assay results for 2011 Dayton drill holes.

Drillhole	Zone	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %
11DA14	Dayton IP3	No Significant Assays							
11DA13	**Dayton IP1**	**5.0**	**320.71**	**315.71**	**0.10**	**-**	**0.04**	**-**	**-**
	includes	**7.0**	**142.0**	**135.0**	**0.15**	**-**	**0.05**		
	includes	**7.0**	**44.0**	**37.0**	**0.24**	**-**	**0.10**	**-**	**-**
11DA12	**Dayton IP1**	**7.0**	**115.67**	**108.67**	**0.14**	**-**	**0.05**	**-**	**-**
	includes	**8.5**	**23.5**	**15.0**	**0.21**	**-**	**0.07**	**-**	**-**
	and	**101.5**	**115.67**	**14.67**	**0.33**	**-**	**0.08**	**-**	**-**
11DA11	Dayton IP1	6.0	103.0	97.0	0.10	-	0.02	-	-
	includes	9.0	49.5	40.5	0.14	-	0.02	-	-
11DA10	**Dayton IP1**	**9.0**	**343.0**	**334.0**	**0.07**	**-**	**0.03**	**-**	**-**
	includes	**9.0**	**130.5**	**121.5**	**0.14**	**-**	**0.03**	**-**	**-**
	includes	15.0	114.0	99.0	0.15	-	0.03	**-**	**-**
	includes	318.0	334.5	16.5	0.01	-	0.07	-	-
11DA09	**Dayton IP2**	**3.0**	**120.0**	**117.0**	**0.25**	**-**	**0.01**	**-**	**-**
	includes	**3.0**	**54.0**	**51.0**	**0.43**	**0.81**	**0.15**	**-**	**-**
	includes	6.5	37.53	31.03	0.46	0.72	0.16	-	-

2011 Exploration and Drilling Results – Motherlode Target Area, Greenwood

Exploration during 2010 and 2011 at the Motherlode target resulted in the discovery of a number of potential drill targets based upon gold in soil anomalies, magnetic anomalies and horizontal loop EM anomalies. Drilling commenced at the Motherlode area in mid-November, 2011 and was completed in early December, 2011. A total of 1,416 m was drilled in 6 holes at two main targets in the Motherlode area.

North of the historic Motherlode mine, drilling of a coincident magnetic and horizontal loop EM anomaly yielded a new gold discovery with the intersection of 1.56 g/t Au and 11.12 g/t Ag across 19.0 m core length with a high grade zone of 17.15 g/t Au and 41.7 g/t Ag, 0.56% lead (Pb) and 1.51% zinc (Zn) across 1.5 m core length in hole 11ML03 (Table 6). Drillhole 11ML05, collared 40 m northeast of 11ML03, yielded similar results, with 1.64 g/t Au and 3.15 g/t Ag across 14.85 m core length with a higher grade zone of 6.79 g/t Au and 11.1 g/t Ag and 1.04% Zn across 1.5 m. Hole 11ML04, drilled beneath 11ML03, yielded 0.51 g/t Au and

1.02 g/t Ag over 13.5 m core length with a higher grade zone of 3.43 g/t Au, 2.90 g/t Ag and 0.8% Zn over 1.5 m core length (Table 6).

The Au-Ag±Cu±Zn intersections in drillholes 11ML03, 11ML04 and 11ML05 are associated with fine grained pyrite, sphalerite and galena in chlorite-biotite altered hornfelsed late Paleozoic to Triassic sedimentary rocks adjacent to a small alkalic intrusion. Breccia zones and silicification are common in the hornfels zone. Small sections of marble and skarn with elevated precious and base metals were intersected in all three holes.

The historic Motherlode underground and open pit mine produced close to 175,000 ounces of Au, 700,000 ounces of Ag and 77 million pounds of Cu at an average grade of 1.27 g/t Au, 5.04 g/t Ag and 0.82% Cu from a skarn between 1900 and 1962 (British Columbia Minfile 082ESE034). The new Au-Ag zone has been discovered approximately 900 m north of the historic Motherlode open pit.

In addition to the new polymetallic discovery at Motherlode North, wide low grade bulk tonnage style gold-silver-polymetallic mineralization was intersected in the vicinity of the historic Greyhound open pit mine, including 0.15 g/t Au and 0.81 g/t Ag along with 0.02% Cu and 0.03% Zn over 84.0 m core length, with a higher grade zone of 0.46 g/t Au and 2.09 g/t Ag across 11.44 m (Table 6). The precious metal zone with elevated Cu, Pb and Zn in 11ML01, drilled near the Greyhound open pit, is associated with a strongly silicified, brecciated zone of hornfelsed sediments and calc-silicate skarn with pyrite, pyrrhotite and trace chalcopyrite.

Table 6 - Summary assay results for 2011 Motherlode drill holes.

Drillhole	Zone	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %
11ML01	**Greyhound**	**42.5**	**126.5**	**84.0**	**0.15**	**0.81**	**0.02**	**-**	**0.03**
	includes	**50.56**	**62.0**	**11.44**	**0.46**	**2.09**	**0.06**	**0.04**	**0.06**
	includes	**61.03**	**62.0**	**0.97**	**2.97**	**4.50**	**0.05**	**0.06**	**0.12**
	Includes	**116.0**	**125.0**	**9.0**	**0.33**	**0.86**	**0.01**	**0.01**	**0.01**
	and	**149.0**	**150.5**	**1.5**	**2.54**	**3.10**	**0.05**	**-**	**0.23**
11ML02	Greyhound	94.0	237.0	143.0	0.07	0.75	0.01	0.01	0.03
	includes	94.0	104.5	10.5	0.20	0.86	0.01	0.01	0.02
	includes	179.0	186.5	7.5	0.32	4.80	0.02	0.05	0.33
	and	326.0	327.5	1.5	2.72	0.9	-	-	-
11ML03	**Motherlode N**	**7.0**	**26.0**	**19.0**	**1.56**	**11.12**	**0.04**	**0.07**	**0.30**
	includes	**11.0**	**15.5**	**4.5**	**6.07**	**15.13**	**0.03**	**0.20**	**0.70**
	includes	**14.0**	**15.5**	**1.5**	**17.15**	**41.70**	**0.06**	**0.56**	**1.51**
11ML04	**Motherlode N**	**8.95**	**30.0**	**21.05**	**0.34**	**1.10**	**0.02**	**0.01**	**0.11**
	includes	**10.5**	**24.0**	**13.5**	**0.51**	**1.02**	**0.02**	**-**	**0.16**
	includes	**13.5**	**15.0**	**1.5**	**3.43**	**2.90**	**0.08**	**0.01**	**0.80**
11ML05	**Motherlode N**	**24.5**	**53.0**	**28.5**	**0.88**	**1.90**	**0.01**	**0.02**	**0.25**
	includes	**27.5**	**42.35**	**14.85**	**1.64**	**3.15**	**0.01**	**0.04**	**0.47**
	includes	**39.5**	**42.35**	**2.85**	**4.11**	**6.88**	**0.04**	**0.03**	**1.04**
	includes	**39.5**	**41.0**	**1.5**	**6.79**	**11.1**	**0.05**	**0.05**	**1.79**
11ML06	Motherlode N	No Significant Assays							

2012 Drill Results – Overlander and P5 Targets

During the spring of 2012, the Company conducted a 5 hole core drilling program totaling 1,364 metres at the Overlander and P5 targets at the Company's Greenwood gold project. The Overlander and P5 targets are both in the Mount Attwood area. These targets were selected based on field work conducted in 2011.

At the Overlander target area, fieldwork in 2011 yielded 55 soil samples with greater than 50 ppb Au up to 546 ppb Au, in addition to rock sampling, which yielded 9 selected grab samples with greater than 1.0 g/t Au up to 37.9 g/t Au. During the 2012 spring drilling program, the Company drilled two holes at the Overlander target to test two separate gold in soil anomalies coincident with electromagnetic anomalies (Table 7). A complex package of basalts, feldspar porphyrys, limestone, and mudstone along with weak skarn mineralization was intersected in both holes at the Overlander target. Only low grade gold was intersected in both drill holes with up to 0.1 g/t Au over 12.0 metres in hole 12OL01. The numerous gold in soil anomalies discovered at the Overlander are yet to be explained.

At the P5 target area, selected rock grab sampling in 2011 yielded samples up to 7.3 g/t Au, along with soil sampling that yielded a total of 13 soil samples with greater than 50 ppb Au up to a maximum of 798 ppb Au. A discreet HLEM conductivity and IP chargeability anomaly associated with the gold in rock and soil sample anomalies was the focus of the 2012 spring drilling program. Two holes tested the anomaly and yielded intersections of basalt, feldspar porphyry and long intersections of serpentinized ultramafic. Gold was found associated with pyrite bearing quartz veins in the basalt and ultramafic with a highest assay of 3.54 g/t over 1.5 m in hole 12GCE01 (Table 7). The ultramafic in hole 12GCE01 also yielded a long intersection of highly anomalous nickel with 0.18% Ni over 99.13 m (Table 7).

Table 7 – Assay highlights – 2012 spring drill program

Drillhole	Zone	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu %	Zn %	Ni %
12GCE01	**P5 East**	**63.5**	**65.0**	**1.5**	**3.54**	**-**	**-**	**-**	**-**
	P5 UM	**165.37**	**264.5**	**99.13**	**-**	**-**	**-**	**-**	**0.18**
12GCE02	Hole Lost								
12GCE03	P5 East1	247.0	251.5	4.5	0.18	-	-	-	-
	P5 East2	301.0	302.5	1.5	0.27	-	-	-	-
	P5 East3	445.5	452.0	6.5	0.11	-	-	-	-
12OL01	OL East	123.5	135.5	12.0	0.1	-	-	-	-
12OL02	OL North1	18.0	18.8	0.8	0.33	-	-	-	-
	OL North2	172.0	173.5	1.5	0.29	1.0	-	0.035	-

French and Peak Projects, BC Precious Mineral Properties, Canada

The Company's French and Peak properties in British Columbia were acquired by the Company in 2005. The Company has not conducted significant exploration on either of these properties since 2008, however still holds them in good standing and is currently evaluating the properties for additional exploration in the near term.

The French property consists of one 500 ha claim with indications of copper-molybdenum-silver-gold mineralization in a lower grade porphyry-type deposit. The Peak property consists of 9 claims totaling 3,643 ha with polymetallic silver-gold-copper-lead-zinc in veins and in a large associated breccia zone that is spatially coincident to a large IP chargeability anomaly. The Peak property has been assessed by the Company as potentially hosting a volcanogenic massive sulphide ("VMS") deposit with similar style and relationships to the past producing Eskay Creek VMS deposit. The discovery of a potential VMS deposit has been the main focus of the Company's exploration efforts to date on the Property. Drilling during the fall of

2008 intersected widespread low grade polymetallic mineralization in association with the IP chargeability anomaly indicating that the Peak property also is a target for bulk tonnage style porphyry style mineralization.

Future plans for BC Mineral Properties

Further drilling is being considered for the Motherlode North discovery. The Company expects to drill test a number of additional priority targets in the Overlander area and to conduct further drilling in the vicinity of the P5 target area in the future. As well, the Company has been granted the required permits to conduct a drilling program on the French and Peak properties. All further BC drilling is subject to financing specifically raised for these purposes.

Alberta Diamond Properties, Canada

The most recent drilling program on the Company's Alberta Diamond properties was concluded in October, 2008. A total of 966 m was drilled in 5 drill holes during the program. A total of 386 m were drilled in two drill holes in order to further test the BE-02 Kimberlite. A total of 580 m was drilled in three holes to test other geophysical anomalies in the vicinity of BE-02. A single new kimberlite, BE-03, was intersected during the fall drilling campaign. The BE-03 Kimberlite was intersected at a depth of 66 m and the hole remained in kimberlite until the end of hole at 191 m. The BE-02 and BE-03 kimberlites are roughly 400 m apart and are both described as ranging from fine to coarse grained pyroclastic kimberlites with portions of both kimberlites containing visible coarse fragments of kimberlite and country rock along with olivine macrocrysts, occasional pyrope garnets and chrome diopsides.

During March and April, 2011, a ground magnetometer survey was conducted approximately 10.7 km northeast of the BE-02 and BE-03 grid over the BM3 and BM16 kimberlites which were acquired by Grizzly Discoveries during staking in 2009. Based upon the results of the ground magnetic survey and the prior drilling, it is likely that the BM16 kimberlite was not tested properly by the previous drill hole. The drill hole is located at the edge of a 250 m by 150 m ovoid magnetic anomaly and yielded less than 1 m of kimberlite core during drilling. The target needs to be re-drilled in the center of the magnetic anomaly.

During June 2011, the Company applied for 18 new metallic and industrial mineral (MAIM) permits in the Buffalo Head Hills region. The permits were subsequently granted in September, 2011 and total approximately 381,000 acres bringing the Company's total holdings in the region to just over 670,000 acres.

In the year ended July 31, 2012, Company recorded an impairment to the carrying value of the Alberta Diamond Properties as described in the Company's consolidated financial statements for the year ended July 31, 2012, however this accounting treatment does not reflect management's assessment of the prospectivity of the properties, rather it was a function of the current market sentiment regarding early-stage diamond exploration projects and the fact that the Company has not conducted significant exploration in the area for several years.

Future Plans for Alberta Diamond Properties

The Company is currently considering future exploration plans for the properties, subject to raising finances to be focused on diamond exploration.

Alberta Potash (Metallic and Industrial Mineral Properties), Canada

The Company's Alberta Potash Project, located in east central Alberta, consists of two 100% owned claim blocks, the North (Lloydminster) Block and the South (Medicine Hat) Block, as well as a 50% jointly owned Provost Block with Pacific Canada Potash Ltd., a wholly owned subsidiary of Pacific Potash Corp. (Pacific). The project originally consisted of Metallic and Industrial Mineral (MAIM) permits covering approximately 993,000 hectares (ha) (2,454,000 acres) along the Alberta-Saskatchewan border, with a large portion of these permits being in close proximity to, or directly containing areas that are underlain by, the potash-bearing Prairie Evaporite Formation.

During the period ended January 31, 2013, the Company filed assessment reports for its 100% owned South (Medicine Hat) Block. Based upon the assessment work completed to date, the Company has reduced its land position for the South Block to the key lands by approximately 253,000 ha (626,000 acres), now amounting to MAIM permits covering approximately 145,000 ha (358,000 acres). Subsequent to January 31, 2013, the Company also filed assessment reports on its 100% owned North (Lloydminster) Block and has reduced its land position for the North Block by approximately 223,000 ha (551,000 acres) to MAIM permits covering approximately 159,000 ha (394,000 acres).

The Company and the joint owner of the 50% owned Provost Block will be filing similar assessment reports in the near future for the 50% owned Provost Block and will be subsequently reducing its land position by an estimated 136,000 ha (337,000 acres) to an area of approximately 76,000 ha (187,000 acres). In all cases, the Company has retained the claims that it has determined to be of the highest prospectivity for Potash, including any claims which have been tested by drilling to date by the Company.

Once all assessment reports due in 2013 have been filed, management expects that the total land area covered by its 100% owned MAIM permits in the North (Lloydminster) Block and the South (Medicine Hat) Block will be approximately 304,000 ha (752,000 acres), with an additional 76,000 ha (187,000 acres) covered by MAIM permits owned jointly with Pacific.

Grizzly 100% Owned Potash Permits

A large portion of Grizzly's 100% owned MAIM potash permits exist in close proximity to or directly contain areas that are underlain by potash bearing beds within the uppermost portion of the Prairie Evaporite Formation. The presence of potash beds within the upper portion of the Prairie Evaporite in east-central Alberta near and along the Saskatchewan border is indicated by geological maps produced by the Alberta and Saskatchewan governments, specifically Alberta Research Council Bulletin 29 (Hamilton, 1971) and Saskatchewan Geological Survey Report 181 (Fuzesy, 1982). A number of Grizzly's permits exist in close proximity to a reported occurrence of potash minerals in a deep well (VCO #15) in the Vermilion area of east-central Alberta. The author reporting the occurrence suggests that the potash mineral "sylvite exists in substantial quantities" "throughout the first 50 feet of the Prairie Evaporite" (Golden, B.Sc., 1965). The author also suggests the potash minerals "are of the same composition and depositional sequence and depth as the potash at Unity and Saskatoon, Saskatchewan", currently the location of a number of potash mines. Recent analytical work by the Alberta Geological Survey (Eccles et al., 2009) on what is left of the core from VCO#15 has yielded up to 18.6% K2O and confirms the observations of Golden (1965). The reported occurrence of potash minerals is at a depth of approximately 1,061 m below surface.

2011 Drilling Results –100% Owned Medicine Hat Block, Southeast Alberta

A drill rig was mobilized on November 28 to well site 8-36-19-1W4 in southeast Alberta to complete a potash test well on the South Block of the Company's 100% owned Alberta Potash Project near Medicine Hat, Alberta. The drill rig completed the test well on December 12th, 2011. Coring commenced at 1,642 m below surface. Visible potash minerals were observed in the drill core for the interval between 1648.5 m and 1,670.85 m below surface. The well cored a thick (22.35 m) zone of Prairie Evaporite Formation salt with low grade potash at a depth of 1,648.5 m (5,408.46 ft), which is the depth of the Belle Plaine Solution Mine and is ideally suited to solution mining due to formation temperatures. Within the wide low grade potash zone, the drilling intersected two zones of sylvite mineralization (Upper zone and Lower zone) within the Patience Lake Member, near the top of the formation. Core samples from well GZD100 Medhat 8-36-19-1W4, were collected by Norwest Corporation (Norwest) in Calgary, Alberta and forwarded to the Saskatchewan Research Council's (SRC) Geoanalytical Laboratories in Saskatoon, Saskatchewan.

Analytical results from Well GZD100 Medhat 8-36-19-1W4 yielded weighted average grades of 2.62% K_2O (4.15% KCl) over 22.35 m (73.33 ft) at a depth of 1648.5 m (5408.46 ft) for the low grade zone. The interval contained higher grade portions including 6.4% K_2O (10.14% KCl) over 4.55 m (14.93 ft), 8.77% K_2O (13.88% KCl) over 2.65 m (8.69 ft) and 13.0% K_2O (20.58% KCl) over 1.15 m (3.77 ft) within the Upper Zone and 2.45% K_2O (3.88% KCl) over 3.3 m (10.83 ft) in the Lower Zone. A summary of the analytical results for

both the Upper Zone and the Lower Zone is shown in Table 8. Low grades of MgO indicate that sylvite is the major potash mineral, rather than carnallite.

In 1980, historic oil well DEML MEDHAT 6-36-19-1W4, located 800 m west of the current well location, yielded a gamma log spike of about 218 API units at a depth of approximately 1,662 m below surface for a calculated maximum potash grade of approximately 22% K_2O. Drill intercepts represent true thickness as the holes were drilled vertically and the potash zones are flat lying

Table 8: Analytical results for Grizzly's 2011 Potash wells

Well	Depth				Thickness		Grade K_2O (wt%)	Grade KCl (wt%)	Grade MgO (wt%)
	From		To						
	(m)	(ft)	(m)	(ft)	(m)	(ft)			
GZD100 Medhat 8-36-19-1W4	16.48.5	5408.46	1670.85	5481.79	22.35	73.33	2.62	4.15	0.09
Upper Zone	1649.4	5411.42	1653.95	5426.35	4.55	14.93	6.4	10.14	0.11
includes	1649.7	5412.40	1652.35	5421.10	2.65	8.69	8.77	13.88	0.10
includes	1651.2	5417.32	1652.35	5421.10	1.15	3.77	13.0	20.58	0.14
includes	1651.7	5418.96	1652.0	5419.95	0.3	0.98	31.1	49.23	0.09
Lower Zone	1661.7	5451.77	1665.0	5462.60	3.3	10.83	2.45	3.88	0.06
PPC40 Provost 10-11-40-1W4	1258.5	4128.94	1281.8	4205.38	23.3	76.44	1.84	2.91	1.18
Upper Zone	1258.85	4130.09	1263.35	4144.85	4.5	14.76	3.14	4.97	1.57
includes	1258.85	4130.09	1259.6	4132.55	0.75	2.46	6.58	10.41	1.67
Lower Zone	1280.7	4201.77	1281.8	4205.38	1.1	3.61	5.39	8.54	4.41

Grizzly 50% Owned Potash Permits

In late December, 2010, Grizzly and Pacific Canada Potash Ltd. submitted 21 MAIM permit applications in the Provost area to the Alberta Government totaling approximately 458,000 acres on the basis of a 50:50 ownership split. The analysis of all the available geophysical logs for historic oil wells on the property has revealed a high probability of potash-bearing beds underlying the Provost Potash Property. More specifically, it appears the east-central and southeastern areas of the property have very high potential for economic-grade potash beds. Gamma-ray responses from historic oil and gas wells suggest that the grades of potash-bearing beds underlying the property could attain grades ranging from 15% to 25% K_2O across thicknesses of 1 to 5 m (Klarenbach, P.Geol., 2009). These responses all occur at a depth of about 1,300 m in the uppermost 60 m of the Prairie Evaporite Formation, which is the main host to potash deposits in Saskatchewan (Holter, 1969).

As described in the Company's news release dated November 2, 2011, a drill rig was mobilized to well site 10-11-40-1W4 in east-central Alberta to complete a potash test well on the jointly-owned 50:50 Provost Potash Property. During September 2011, the Company signed a "Letter Of Intent" (LOI) with Pacific Potash Corporation (Pacific) to commence a multiple potash drill hole exploration program on the Grizzly - Pacific 50:50 owned Provost Permits. The first well, 11-10-40-1W4 on the 50:50 owned Provost Permits, was started in early November and completed in mid-November, 2011. Visible potash minerals were observed in the drill core for the interval between 1,259.75 m and 1,261.75 m below surface. The core was sent to Norwest where it was logged and sampled. The core samples were then forwarded to the SRC for full geochemical analysis (Table 8). The well yielded a wide low grade potash zone with two higher grade zones within including 6.58% K2O (10.41% KCl) over 0.75 m (2.46 ft). Further drilling is under consideration south of Pacific's 100% owned Provost Property, where some higher grades have been encountered.

Future plans

Barlon Engineering and Taylor Land Services have completed land use applications for a series of additional well site locations for all three blocks. The Company is preparing to carry out the first of a two Stage exploration drilling program which has been recommended in a Technical Report dated July 31, 2012, prepared for the Company by APEX Geoscience Ltd. Apex has proposed a drilling program of up to $5.0 million to conduct stage 1 of a proposed two-stage exploration program on the Alberta Potash Project. Stage 1 would consist of drilling 4 to 5 wells in order to identify those areas that contain potentially economic potash grades over a mineable thickness potentially leading to a preliminary maiden resource estimate. The budget is comprised of drilling a total of approximately 7,000 m in 5 wells along with a budget for reclamation, collection and analysis of water samples, and some baseline scoping studies. Subject to positive Stage 1 results, further drilling would be required as part of Stage 2 to progress the project to a resource stage along with the appropriate metallurgical work and engineering studies.

Conducting the Stage 1 drilling program is subject to the Company raising the necessary capital to fund the program.

Risks and Uncertainties

Mining risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sales of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

• Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.

• Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

• Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

No Operating History and Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its cash resources following the Asset Transfer and private placements will be sufficient to cover its projected funding requirements for the ensuing year. If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to it fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

Competition

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

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any keyman life insurance on any of its executives. The directors and officers of the Company only devote part of their time to the affairs of the Company.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in Company's securities should not constitute a major portion of an investor's portfolio.

Outlook

The Company's primary focus for the foreseeable future will be on advancing the exploration and development of its current projects and investigating other prospects for prospective addition to the Company's mineral properties, concurrent with evaluating strategies to enhance shareholder value. The ability of the Company to do so is contingent upon its ongoing ability to raise capital primarily through equity financing.

Qualified Person

The disclosures contained in this MD&A regarding the Company's mineral properties has been prepared by, or under the supervision of, Michael Dufresne, M.Sc., P.Geol., a principal of APEX Geoscience Ltd. and a Qualified Person for the purposes of National Instrument 43-101.

Approval

The Audit Committee of the Board of Directors of the Company approved the disclosure in this MD&A on March 28, 2013.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.