PAN GLOBAL RESOURCES

MANAGEMENT DISCUSSION AND ANALYSIS

Year ended January 31, 2012

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at May 29, 2012 and should be read in conjunction with the audited annual financial statements of Pan Global Resources Inc. (the "Company" or "Pan Global") for the years ended January 31, 2012 and 2011 and the related notes thereto.

Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These are Pan Global's first annual financial statements presented in accordance with IFRS. Previously the Company prepared its annual and interim financial statements in accordance with Canadian GAAP. All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Pan Global's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties identified elsewhere in this MD&A, actual results may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The Company was incorporated under the provisions of the Business Corporations Act (British Columbia) on February 1, 2006 and is classified as a Tier II mining company, effective June 8, 2009 and trades on the TSX Venture Exchange. On December 21, 2009 the Company changed its name from Mosam Capital Corp. to Pan Global Resources Inc.

The Company's principal business activities are the acquisition, exploration and development of mineral properties. The Company's continuing operations and the ability of the Company to meet its mineral property commitments are dependent upon the ability of the Company to raise additional equity, debt financing and seeking joint venture partners.

On February 14, 2011 the Company signed a definitive option agreement with Lithium Li Holdings Inc. ("Lithium Li") to earn an undivided 51% interest, with further options to earn an undivided 65% or 80% interest, in Lithium Li. Lithium Li, through wholly-owned subsidiaries in the Balkans, has been granted fifteen exploration licenses in the Republic of Serbia and has applied for an additional two licenses in Bosnia and Herzegovina. Under the terms of the Option Agreement, the Company can earn up to 80% in any three licenses held by Lithium Li within 10 years of the date of the Option Agreement by spending sufficient exploration expenditures for the completion of a feasibility study (or a total of $20,000,000), and issuing a total of 1,125,000 shares and $500,000 in various anniversary payments. Pan Global shall determine, in its sole discretion, which exploration licenses may be retained by the Optionor.

Transaction Highlights

The Company has acquired an option to purchase a 51%, 65% or 80% interest in any 3 of the 17 concessions as follows:

Cash Payments to Lithium-Li:

Date	Amount	Cumulative
February 21, 2011	$ 75,000	$ 75,000
February 14, 2012	$ 150,000	$ 225,000
February 14, 2013	$ 275,000	$ 500,000

Share Issuances to Lithium-Li

Date	# of Shares	Cumulative
February 21, 2011	375,000	375,000
Date of exercise of the initial 51% interest	250,000	625,000
One year anniversary from exercise of initial 51% interest	250,000	875,000
Two year anniversary from exercise of initial 51% interest	250,000	1,125,000

Milestone

Phase of Program	Milestone	% Interest Earned
Phase I	Completion Date	51%
Phase II	Pre-Feasibility Report	65% (1)
Phase III	Feasibility Report	80%

[1] If at any time after completion of Phase I but before completion of Phase II the Company determines to discontinue funding having incurred aggregate Exploration Expenditures of less than $12,000,000, the initial 51% undivided interest earned by the Company shall be forfeited to Lithium-Li. Following the exercise of the option by the Company, the Company and Lithium Li will continue under a joint venture.

OPERATIONS REVIEW

As disclosed above, the Company entered into an option agreement with Lithium Li which grants the Company an option to earn an initial 51% interest in Lithium Li, which includes three of its exploration licenses in the Balkans. The acquisition is an arm's length transaction.

Pan Global Resources is primarily focused on the early stage exploration through to development of resources of Borates and associated Lithium in the Balkans. Through its option with Lithium Li, the Company is directly targeting analogs of Rio Tinto's nearby Jadar Deposit which is undergoing a pre-feasibility study and has inferred resources of 114.6 Mt @ 1.8% Li2O and 13.1% B2O3.

Via wholly-owned subsidiaries, Lithium Li has been granted 15 exploration licenses (as of May 22, 2012) in the Republic of Serbia totalling approximately 1300Km2 and retains applications for another two in Bosnia and Herzegovina.

Exploration has been undertaken throughout 2011 with emphasis on a program of geological mapping, geochemical sampling and geophysics to help define drill targets. Gravity geophysical surveys have been completed or undertaken on the Jadar West, Badanja, Valjevo, Ljig, Radusa, Kosjeric, Gorobilje and Bela Crkva licenses and have been instrumental in defining basin geometry which is critical to the formation of borates (including the lithium borate Jadarite) mineralization. Magneto-telluric geophysical surveys have also been completed on the Badanja, Jadar West and Valjevo licenses to help define zones of conductivity which may represent lithological units that preferentially host the Jadarite mineralization; however due to the high costs of data acquisition and variable results such surveys are unlikely to be extended. In addition, field reconnaissance has started in all approved licenses where outcrop mapping and sampling is ongoing.

The rapid advance of the multidisciplinary exploration program enabled the company to undertake initial target drilling throughout Q3 and Q4 2011. A drill company experienced in drilling this style of target at the nearby Jadar deposit was retained to start drilling these targets from August 2011.

Four holes of an initial reconnaissance diamond drilling program were completed in the Badanja and adjoining Jadar West exploration license which are immediately adjacent to Rio Tinto's Jadar deposit. Hole RAR-1 (eoh 601m) drilled in the Badanja license intersected a sequence of marine sediments underlain by a potential host package of lacustrine sediments, disrupted by sedimentary flows of diamictite which are believed to have displaced or removed potential ore horizons. Assay results have confirmed no mineralization was intersected although various intervals (totaling 330m) of potential host lacustrine sediments returned elevated Lithium levels of 213ppm consistent with the alkaline/salt lake depositional environment. Hole RAR-3 (eoh 419m) drilled 3km to the south east in the same license targeted a conductive Magneto Telluric response on the edge of the basin and intersected lacustrine clays and tuff, but no prospective host units or horizons that can be correlated with known mineralization, and no significant geochemistry was returned from the assays.

Hole RAR-2 (eoh 811m) drilled in Jadar West has provided compelling evidence of mineralization in the vicinity. The hole intersected post mineral marine sediments underlain by host lacustrine sediments with stratigraphic marker horizons and zones of potential mineralization which are interpreted to be directly correlated with the stratigraphy at the Jadar deposit. These include evidence of relict mineralization in the form of calcite pseudomorphs after a borate mineral at 393-398m and 511-514m down the hole which returned elevated Lithium contents averaging 750ppm and 1225ppm respectively. Hole RAR-4 (eoh 576m) was drilled 600m to the NE in an attempt to intersect mineralization outside the dissolution zone, but it intersected similar zones including the important tuffaceous sandstone marker horizon (524-526m), and a zone of calcite pseudomporphs and vugs after borates (558-559m) which returned elevated Lithium contents averaging 750ppm. Although there was no significant borate anomalism in either hole, these interpretations of pseudomorphs suggests that the mineralizing system at Rio Tinto's Jadar deposit is repeated in, or continues into, the Jadar West license.

The final hole drilled in November 2011 prior to the onset of winter entailed a stratigraphic drill test of the Valjevo license. Hole VBN-001 (eoh 607m) intersected mineralization associated with two zones of alkaline/saline depositional environments. The first was borate mineralization in the form of searlesite observed at surface and at shallow depths in VBN-001, that is not of economic interest. The second was a 40m zone of preserved sodium/calcium borate mineralization (identified as probertite and subordinate colemanite) encountered from 408 to 448m that averages 1.99% B_2O_3 which is of economic significance. This interval has returned a best intercept of 4m @ 0.26% Li_2O and 8.4% B_2O_3 from 428 to 432m, which is close to what can be considered an 'ore grade and width' intersect of 1.8% Li_2O and 13.1% B_2O_3 (based on an average ore grade of Rio Tinto's Jadar deposit and a 3m width single borer-miner cut). Although the 0.26% Li_2O is likely to be hosted in clays and would not be recoverable alongside the borates, it does indicate a high metal budget of lithium within the target stratigraphy. These assays confirm that this first hole at Valjevo is akin to the first hole drilled at the Jadar deposit by Rio Tinto which chased similar surface geochemistry and encountered borates, but no jadarite, which was then identified in follow up drilling. This very positive result from the first hole at Valjevo has significantly raised the prospectivity of the licencs and the adjoining license at Lijg.

Apart from the drilling, other work consisting of geological, geochemical and geophysical exploration to prioritize licenses and drill targets was continued. Processing of data from the Gorobilje and Bela Crkva licenses was completed which indicated a lack of basin development, and as a consequence prospectivity of those licenses has been downgraded.

Drilling was restarted in March 2012, and as of the date of this MD&A holes have been completed in the Valjevo licence (2 holes) and the Ljig licence (2 holes), for which assays are pending.

RESULTS OF OPERATIONS

Year Ended January 31, 2012

The Company recorded a loss of $3,821,465 or $0.20 per common share for the year ended January 31, 2012 compared to a loss of $1,032,469 or $0.10 for the year ended January 31, 2011. The loss for the current year was significantly higher as the company incurred costs related to its Balkan lithium exploration program. Exploration expenditures of $2,772,900 in the current year relate to a full year's exploration program while the $580,811 in the prior year relates to a shorter period of exploration activities. General and administrative expenses of $1,048,565 are more than double the prior comparative year. This is primarily due to the management staffing increases relating to the company's expanding business, and a charge of $426,868 for stock based compensation relating to stock options granted to officers, directors, and employees of the Company.

Three months ended January 31, 2012

The Company recorded a loss of $670,570 or $0.02 per common share for the three months ended January 31, 2012 compared to a loss of $911,819 or $0.09 per common share for the three months ended January 31, 2011. Exploration costs in both quarters were comparable: $487,488 for 2012 compared to $536,840 for 2011. However, in the 2011 quarter, $118,737 was incurred as stock based compensation expense, while the current year's quarter had no stock based compensation expense.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital position at January 31, 2012 was $679,473 compared to $2,217,199 at January 31, 2011. The decrease in working capital was due to the cash used to cover exploration and administration expenses and the first option payment of $75,000 on signing of the definitive option agreement with Lithium Li, offset by cash received on exercise of warrants during the year. In order to meet its corporate objectives, which primarily consist of obtaining and exploring its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Subsequent to year end, the Company undertook a non-brokered private placement and issued an aggregate of 5,877,499 units at a price of $0.60 per unit for gross proceeds of $3,526,500.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements or obligations that are not disclosed in the financial statements.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	January 31, 2012	October 31, 2011	July 31, 2011	April 30, 2011
Exploration expenditures	$ 487,488	$ 1,094,947	$ 555,752	$ 634,713
Share-based payments	$ -	-	-	$ 414,344
Net loss for the period	(670,570)	(1,204,896)	(709,536)	(1,236,463)
Loss per share - basic and diluted	$ (0.03)	$ (0.06)	$ (0.04)	$ (0.07)

Quarter ended	January 31, 2011	October 31, 2010	July 31, 2010	April 30, 2010
Exploration expenditure	$ 536,840	$ 43,971	$ -	$ -
Share-based payments	$ 118,737	$ -	$ -	$ -
Net loss for the period	(911,819)	(82,465)	(16,951)	(21,233)
Loss per share - basic and diluted	$ (0.08)	$ (0.01)	$ -	$ -

The loss for the quarters varies primarily based on exploration expenditures incurred and whether stock options are granted in the quarter. The losses increase substantially for the quarters commencing with the January 31, 2011 quarter due to the focus of the Company on the Balkan exploration properties with which the Company signed an option agreement with Lithium Li.

NEW ACCOUNTING POLICIES

International Financial Reporting Standards ("IFRS")

On January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information the effective transition date is February 1, 2011. The year ended January 31, 2012 is Pan Global's first reporting year under IFRS. Note 12 to the financial statements provide more detail on the significant Canadian GAAP to IFRS differences, accounting policy decisions and IFRS 1, First-Time Adoption of International Financial Reporting Standards and optional exemptions for significant or potentially significant issues that have an impact on the Company's financial statements on transition to IFRS.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting Standards Issued and Effective January 1, 2012

IAS 12 Income Taxes (Amended) ("IAS 12"), introduces an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value.

Accounting Standards Issued and Effective January 1, 2013

IFRS 7 Financial instruments: Disclosures (Amended) require additional disclosures on transferred financial assets.

IFRS 10 Consolidated Financial Statements establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements

a) defines the principle of control, and establishes control as the basis for consolidation.
b) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee.
c) sets out the accounting requirements for the preparation of consolidated financial statements.

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation—Special Purpose Entities.

IFRS 11 Joint Arrangements establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

IFRS 12 Disclosure of Involvement with Other Entities requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

IAS 27 Separate Financial Statements has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

IAS 28 Investments in Associates and Joint Ventures prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

Accounting Standards Issued and Effective January 1, 2015

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

FINANCIAL INSTRUMENTS

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

As at January 31, 2012, the Company's financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	**Total**
Cash	$ 224,942	-	-	$ 224,942

Financial Instrument Risk Exposure and Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk arises from cash and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk other than cash deposits. The Company's cash deposits are primarily held with a Canadian chartered bank. The Company has minimal accounts receivable exposure as it relates to amounts due from the Government of Canada pursuant to sales tax credits.

Interest Rate Risk

As the Company does not have significant interest-bearing assets, the Company's income and operating cash flows are not significantly affected by changes in market interest rates.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

Foreign Currency Risk

The Company has identified its functional currency as the Canadian dollar. Certain of the Company's exploration expenditures are denominated in Serbian Dinar (RSD) and United States dollars (USD). The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar and those two currencies.

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations. Management believes the foreign exchange risks related to currency conversions are minimal.

RISKS AND UNCERTAINTIES

In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered. It should be noted that the list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

The Company may earn an interest in certain of its properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

The securities markets can experience a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as the Company, may experience wide fluctuations in share prices which will not necessarily be related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Foreign Country and Political Risk

The Company is operating in countries that currently have varied political and economic environments. As such, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights, opposition from environmental or other non-governmental organizations, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety.

Notwithstanding any progress in restructuring political institutions or economic conditions, the present administration, or successor governments may not be able to sustain any progress. If any negative changes occur in the political or economic environment of these countries, it may have an adverse effect on the Company's operations in those countries. The Company does not carry political risk insurance.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Environmental Risks and Hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company 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 Company may be exposed and its financial position at that time.

RELATED PARTIES TRANSACTIONS

Key management positions are filled by directors and officers of the Company. The terms of conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions with non-related entities on an arm's length basis. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

- Paid or accrued $252,245 (2011 – $72,916) for management fees to Julian Bavin, the President, CEO and Director of the Company.
- Paid or accrued $31,000 (2011 – $Nil) for consulting fees to Robert Baxter, Director of the Company.
- Paid or accrued $12,000 (2011 - $12,000) for rent and office expenses to a company controlled by Max Pinsky, the Corporate Secretary of the Company.
- Paid or accrued $33,886 (2011 - $79,226) for legal fees paid to a company controlled by Max Pinsky, the Corporate Secretary of the Company.
- Paid or accrued $40,575 (2011 - $20,000) for professional accounting services provided by Christina Cepeliauskas, the Chief Financial Officer of the Company.
- Recognized $426,868 (2011 - $118,737) for share based payments to management and directors of the Company.

As at January 31, 2012, $90,226 (2011 - $40,500) was included in accounts payable and accrued liabilities.

In October 2010, the Company signed a management services agreement with an officer to the Company. Effective October 15, 2010, the Company is committed to pay annual management fees of $250,000 to the officer for an indefinite term. The agreement can be terminated by both parties giving a notice of termination.

Outstanding Share Data

As of May 29, 2012 there were 28,378,981 common shares issued and outstanding. There were also 3,022,000 stock options outstanding with exercise prices ranging between $0.20 and $1.03 per option and 3,882,024 share purchase warrants outstanding with exercise prices ranging between $0.30 and $0.80 per warrant.