MANAGEMENT DISCUSSION AND ANALYSIS

RESSOURCES MONARQUES RESOURCES

PERIOD ENDED

MARCH 31, 2012

3RD QUARTER

MONARQUES RESOURCES INC.

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The following management's discussion and analysis (the "MD&A") objective is to help the reader better understand the activities of the Company and the highlights of its financial situation. It explains the financial situation and the results for the quarter and nine month period ended March 31, 2012 and the comparison of the Company's balance sheets as of March 31, 2012 and June 30th, 2011.

The MD&A has been prepared in accordance with Regulation 51-102 and should be read in conjunction with the condensed interim unaudited financial statements of the Company for the quarter ended March 31, 2012 and the related notes thereto.

The Company's unaudited financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee. These interim unaudited financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors. Unless otherwise indicated, all the amounts in this MD&A are in Canadian dollars.

Forward looking statements

Some statements contained in this MD&A, specially the opinions, the projects, the objectives, the strategies, the estimates the intent and the expectations of the Company that are not historical data, are forward looking statements. Such statements can be recognized by the terms "forecast", "anticipate", "consider", "foresee" and other terms and similar expressions. These statements are based on information available at the time they are made, on hypothesis established by the management and on the management expectation, acting in good faith, concerning future events and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section Risks and uncertainties). The real results for the Company could differ in an important way of those which state or that these forward looking statements show the possibility for. Consequently it is recommended not to trust unduly these statements. These statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. Except if the applicable legislation requires it, the Company does not intend to update these prospective statements to reflect, in particular, new information or future events, and it is by no means committed doing so.

Reporting entity and going concern

Monarques Resources Inc. ("The Company"), incorporated on February 16, 2011 under the *Canada Business Corporations Act*, is engaged in the acquisition and exploration of mining properties. Its shares are listed on the TSX Venture Stock Exchange under the symbol MQR. Its activities are in the Province of Quebec, Canada.

The Company has not yet determined if any of its mining properties contain ore reserves that are economically recoverable.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Reporting entity and going concern (continued)

The recoverability of amounts shown for mining properties and related exploration and evaluation assets is dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. As at the date of the financial statements, management determined that the net carrying value of mining properties represents the best estimate of their net recoverable value. This value may nonetheless be reduced in the future.

The funds available to the Company at the end of the quarter are sufficient to complete its exploration budget planned for the current fiscal year of 2011-2012. However, the Company will have to seek additional funds before the end of the current fiscal year in order to secure the funds needed for its 2012-2013 budget for general and administrative expenses and to meet its short term financial obligations. Despites the Company's ability to obtain funds in the past, there is no guarantee for the future.

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and on the assumption of going concern. The application of IFRS under the assumption of going concern may be inappropriate because the above condition indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements do not include adjustments that should be made to the carrying amount of assets and liabilities if the assumption of going concern proves to be unfounded.

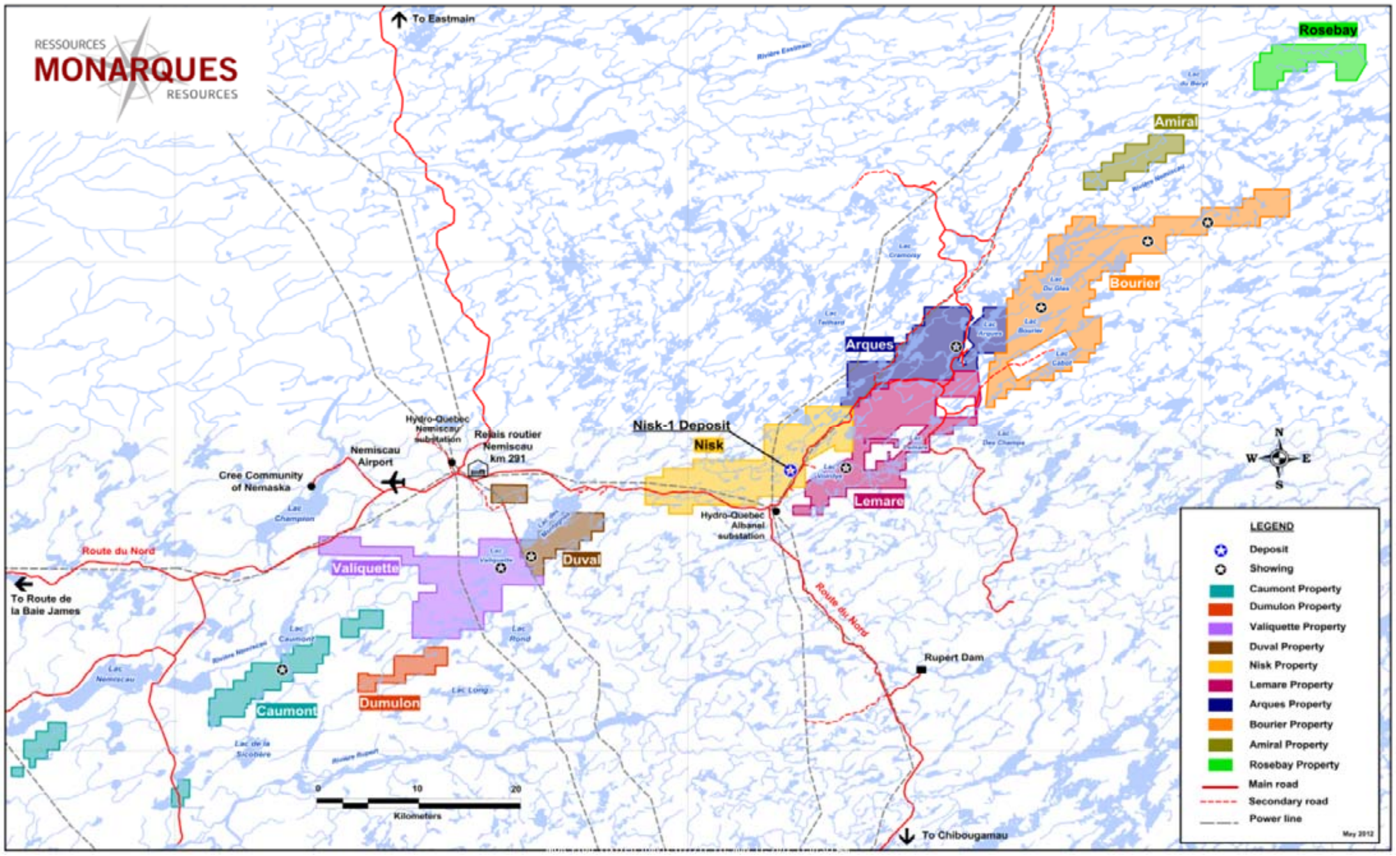
Highlights for the quarter, scope of activities and next steps

During the quarter that ended March 31, 2012, emphasis has been put at data compilation and reports redaction. Quebec Mining Act compliant statutory work reports have been filed at The Quebec Ministry of Natural Resources and Wildlife for the Bourier, Caumont, Duval, Lemare, Nisk and Valiquette properties.

Also during the quarter, the Company acquired, from Les Ressources Tectonic, 13 claims related to the Caumont property by a cash payment of $15,000 and by the issuance of 70,000 common shares of the Company.

Highlights for the quarter, scope of activities and next steps (continued)

As at the date of this report, the Company owns 10 properties, totalling 1,317 claims, as shown in the following map:



In summary, the main exploration works realized on the Company's properties are as follows, being understood that all work carried out before June 10, 2011, were conducted by the previous owner, Nemaska Lithium Inc. (formerly Nemaska Exploration Inc.):

MAIN WORKS DONE			
Property	**Works**	**Objective**	**Results**
Amiral	Heliborne geophysics survey (346 linear km), September 2011	Identify mineralized zones at surface and depict the geology.	A high-resolution heliborne Mag-EM survey covering the entire property was conducted by Prospectair Geosurveys inc. The final report outlines multiple anomalies.

MAIN WORKS DONE			
Property	**Works**	**Objective**	**Results**
Arques	Diamond drilling (5 holes totalling 1,004 meters), January 2012	Test radiometric anomalies to identify Rare Earth Elements (REE) mineralization	Rocks from the syenodiorite intrusive complex were recovered. The best REE results are 0.56% Total Rare Earth Oxydes (TREO) over 5.2 meters (hole RUP-12-11).
	Core resampling	Infill gap in mineralized section	The best TREO intersection is from the hole RUP-11-05 and grading 0.75 % over 15.0 meters.
	Track-etching radiometric survey covering the entire intrusive complex (749 reading stations), June 2011	Distinguish Rare Earth Elements, Niobium and Tantalum enriched lithologies.	The results have provided multiple high contrast anomalies.
	Diamond drilling (5 holes totalling 1,496 meters), March 2011	Test magnetic anomalies to identify economic mineralization	Rocks associated with a syenodiorite intrusive complex with anomalies in TREO (values of 0.77% over 2.1 meters, 0.80% over 3.8 meters and 0.59% over 3.1 meters) were encountered.
Bourier	Diamond drilling (15 holes totalling 2,214 meters), September 2011	Confirm the interpretation of mineralized zones at depth.	Massive sulphide units associated with the known prospective horizon were intersected. The analytical results do not indicate economic mineralization.
	Heliborne geophysics (164 linear km), September 2011	Identify mineralized zones at surface and depict the geology.	A high-resolution heliborne Mag-EM survey covering the 25 newly acquired claims was conducted by Prospectair Geosurveys inc. The final report highlights the continuity of the main high-mag/conductive anomaly.
	Geological surveys and prospection, August 2011	Confirm the geology and identify on the ground the source of numerous magnetic and electro magnetic anomalies.	Areas of interest were covered in the North-East extension of the massive sulphide zone outlined during field work conducted in the summer of 2010 by Nemaska Exploration. The results highlight a zinc and silver prospective trend of Sedex deposit type.

MAIN WORKS DONE			
Property	**Works**	**Objective**	**Results**
Caumont	Mechanical trenching (five trenches from which 321 rock samples were collected, including 248 channel samples), September 2011	Confirm the interpretation of geophysics at surface and characterize mineralization from historic grab samples.	The results confirm magmatic Cu-Ni-PGE mineralization. Best results from a grab sample are 1.08% Cu, 0.76% Ni, 0.51 g/t Pd. . Best results from channel sampling are 0.63% Cu, 0.43% Ni, 0.06 g/t Pt, 0.58 g/t Pd over 2.5m.
	Heliborne geophysics (482 linear km), September 2011	Identify mineralized zones at surface and depict the geology.	Prospectair Geosurveys inc. conducted a high-resolution heliborne Mag-EM survey covering the entire property. The final report highlights a high-contrast main anomaly.
Dumulon	Heliborne geophysics (376 linear km), September 2011	Identify mineralized zones at surface and depict the geology.	A high-resolution heliborne Mag-EM survey covering the entire property was conducted by Prospectair Geosurveys inc. The final report outlines multiple anomalies.
Duval	Diamond drilling (6 holes totalling 1,338 meters), October 2011	Confirm the continuity of mineralized zones at depth.	Best results are 1.62% Cu, 0.45% Ni, 0.53 g/t Au and 9.85 g/t Ag over 1.0 meter.
	Ground geophysics (Magnetometry, 21 linear km), September 2011	Define the geology and identify mineralized zones at surface.	Results highlight a main high-contrast anomaly.
Lemare	Diamond drilling (2 holes totalling 498 meters), September 2011	Confirm the interpretation of mineralized zones at depth.	Two exploration diamond drill holes for a total of 498 meters were drilled on two targets identified in the field work carried out in 2009 and 2010 by Nemaska Exploration. Horizons of massive to semi-massive sulfide were encountered on both targets. Analytical results do not indicate economic mineralization.
	Heliborne geophysics (453 linear km), September 2011	Identify mineralized zones at surface and depict the geology.	A high-resolution heliborne Mag-EM survey covering the South sector of the property was conducted by Prospectair Geosurveys inc. The final report outline multiples anomalies.

MAIN WORKS DONE			
Property	**Works**	**Objective**	**Results**
Nisk *(West sector)*	Mechanical trenching, two mechanical trenches have stripped approximately 600 m^2 of outcrops on a high mag anomaly, July 2011	Confirm the interpretation of geophysics at surface and identify mineralization.	The stripped outcrops have been cleaned up but will only be sampled during the summer of 2012.
	Ground geophysics (Magnetometry), July 2011	Define the geology and identify mineralized zones at surface.	During the summer of 2011, a ground magnetometric survey covering 60 linear km was carried out to define a heliborne anomaly.
	Diamond drilling One (1) hole (153 meters), June 2011	Test a positive high contrast magnetic anomaly.	The anomaly has been explained by the presence of magnetite.
Nisk *(Nisk-1 deposit)*	Borehole geophysics (Pulse-EM), November 2011	Identify mineralized zones at depth.	The survey has identified moderate to strong in-hole/edge and/or off-hole responses which indicate the presence of semi-massive to massive mineralization.
	Diamond drilling (9 holes totalling 1,852 meters), November 2011	Characterize potential extension of the main zone and test two new IP axes.	The best results reported are 0.25% Ni over 7.2 meters in the hole TF-79-11; 0.40% Ni over 8.4 meters in the hole TF-80-11; and 0.19% Ni over 16.7 meters in the hole TF-81-11.
	Ground geophysics (Induced Polarization - IP), July 2011	Identify mineralization at depth.	An IP survey covered the entire 3.5 km long magnetic anomaly associated with the Nisk-1 deposit was completed. The results outline the continuity of the IP conductor associated with the deposit and two new axes parallel to it.
	Diamond drilling (2 holes totalling 1,032 meters), February 2011 *by Nemaska Lithium (formerly Nemaska Exploration)*	Test geophysical anomalies	The results reported are 0.34% Ni and 0.13% Cu over 7.75 m in the hole TF-72-11 on a zone containing 5-40% of sulphide.
	Borehole geophysics (Pulse EM), March *2011 by Nemaska Lithium (formerly Nemaska Exploration)*	Identify mineralized zones at depth	The interpretation of a "Pulse EM" survey conducted in one hole on the Nisk-1 deposit indicates a conductivity anomaly within 50m from it.

MAIN WORKS DONE			
Property	**Works**	**Objective**	**Results**
Rosebay	Heliborne geophysics (585 linear km), September 2011	Identify mineralized zones at surface and depict the geology.	Prospectair Geosurveys inc. conducted a high-resolution heliborne Mag-EM survey covering the entire property. The final report outlines multiple anomalies.
Valiquette	Borehole geophysics (Pulse EM), November 2011	Identify mineralized zones at depth.	In tree holes, the survey has detected in-hole/edge and off-hole positive responses indicating the presence of strong, but rather moderate to small-size, conductive zones.
	Diamond drilling (5 holes totalling 1,197 meters), October 2011	Confirm the interpretation of mineralized zones at depth.	The best intersections are 0.15% Ni over 25 meters (including 0.20% Ni and 0.27 g/t Pd over 9.5 meters) in the hole VAL-11-13 and 0.20% Ni over 41 meters in the hole VAL-11-12.
	Ground geophysics (Magnetometry, 34 linear km), September 2011	Define the geology and identify mineralized zones at surface.	A ground magnetometric survey covering the main anomaly associated with the mineralized trend drilled in winter 2011, was carried out. It has delineated this high-contrast anomaly.
	Heliborne geophysics (214 linear km), September 2011	Identify mineralized zones at surface and depict the geology.	Prospectair Geosurveys inc. conducted a high-resolution heliborne Mag-EM survey covering 24 newly acquired claims. The final report highlights the continuity of the key anomaly.
	Borehole geophysics (Pulse EM), March 2011 *by Nemaska Lithium (formerly Nemaska Exploration)*	Confirm the interpretation of mineralized zones at depth.	The results interpretation outlines Ni-Cu mineralization within 50m of the hole VAL-11-07 and an iron formation in hole VAL-11-09.
	Diamond drilling (9 holes totalling 1,475 meters), March 2011 *by Nemaska Lithium (formerly Nemaska Exploration)*	Confirm the interpretation of mineralized zones at depth.	The results outlined a Cu-Ni-PGE mineralization. The best intersection reported is 2.66% Ni and 0.71% Cu over 3.2 meters.

Highlights for the quarter, scope of activities and next steps (continued)

The foreseen main works on the properties are as follows:

MAIN WORKS PLANNED	
Property	**Work**
Amiral	Geological survey and prospection to confirm the geology and identify on the ground the source of numerous magnetic and electro magnetic anomalies.
Bourier	Geological survey and prospection to confirm the geology and identify on the ground the source of numerous geophysical anomalies. Mapping and sampling of four excavated mechanical trenches.
Caumont	Geological survey and prospection to confirm the geology and identify on the ground the source of numerous geophysical anomalies.
Dumulon	Geological survey and prospection to confirm the geology and identify on the ground the source of numerous geophysical anomalies.
Duval	Geological survey and prospection to confirm the geology and identify on the ground the source of geophysical anomalies.
Lemare	Geological survey and prospection to confirm the geology and identify on the ground the source of geophysical anomalies and known mineralizations.
Nisk *(Nisk-1 deposit)* ***Nisk*** *(West sector)*	Geological survey and prospection to confirm the structural interpretation at the surface and potential targets for trenching. Mapping and sampling of two excavated trenches.
Rosebay	Geological survey and prospection to confirm the geology and identify on the ground the source of numerous geophysical anomalies.
Valiquette	Geological survey and prospection to confirm the geology and identify on the ground the source of numerous geophysical anomalies.

Selected Financial Information

The following table summarizes selected key financial data for the quarter and nine months period that ended March 31, 2012 and the Company's balance sheets as of March 31, 2012 and June 30th, 2011:

Condensed Interim Statements of Comprehensive Loss selected financial information		
	Third quarter $	**Nine Months $**
Interest Income	2,270	22,671
Loss before income taxes	199,911	381,052
Comprehensive loss	241,911	1,017,052
Loss per share – basic and diluted	0.008	0.032
Condensed Interim Statements of Financial Position selected financial information		
	March 31, 2012 $	**June 30, 2011 $**
Cash and cash equivalents (1)	1,222,525	5,092,699
Total assets	12,287,667	12,988,762
Total liabilities	966,749	1,371,447
Shareholder's equity	11,320,918	11,617,315

(1): The cash and cash equivalents includes $984,453 ($4,000,000 as at June 30th, 2011) of cash reserved for exploration expenses.

Operating results for the quarter ended March 31, 2012

Cash and Financing sources

As at March 31, 2012, the total assets of the Company were at $12,287,667, a decrease of $379,802 compared to December 31, 2011. This decrease is mainly due to a decrease in the accounts payable and accrued liabilities for an amount of $149,718 while the remaining decrease of $230,084 was mainly attributable to the operating expenses.

Operating results for the quarter ended March 31, 2012 (continued)

Cash and Financing sources (continued)

The funds available to the Company at the end of the quarter are sufficient to complete its exploration budget planned for the current fiscal year of 2011-2012. However, the Company will have to seek additional funds before the end of the current fiscal year in order to secure the funds needed for its 2012-2013 budget for general and administrative expenses and to meet its short term financial obligations.

The Company's short term liabilities in the amount of $403,716 (excluding the liability related to flow-through shares of $198,033) represent a decrease of $149,718 in the quarter. These liabilities are mainly composed of payables related to exploration expenses in the amount of $133,976, other payables and accrued liabilities such as compensation, audit fees, legal fees and office and general administration expenses in the amount of $219,740 and also $50,000 for the payment of the commitment related to the Arques property milestone.

Condensed Interim Statement of Comprehensive Loss
(Unaudited)

Periods ended March 31, 2012

	Three months ended March 31, 2012
	$
Expenses:	
Compensation	139,366
Share-based payments	38,965
Office and general administration expenses	35,272
Promotion and advertising	3,480
Representation, missions and trade shows	5,983
Registration, listing fees and shareholders' information	11,392
Professional and consultants fees	46,796
Total expenses	**281,254**
Net finance expense (income):	
Finance income	(2,270)
Finance expense	565
	(1,705)
Loss before income taxes and following items	**279,549**
Other income related to flow-through shares	(79,638)
Loss before income taxes for the period	**199,911**
Deferred income tax expense	42,000
Comprehensive loss for the period	**241,911**

Operating results for the quarter ended March 31, 2012 (continued)

The results for the quarter show a net loss and comprehensive loss of $241,911 or a loss per share of $0.008. Aside from interest revenues of $2,270, the Company has no revenues from operations. Its main expenses are: i) compensation totalling $178,331, which includes a bonus payment to the CEO and CFO for a total amount of $30,875 ii) share-based payments totalling $38,965 is a non-cash expense related to the issued share-based purchase options; and; iii) office and general administrative expenses totalling $35,272 mainly to cover rent, insurance, telecommunications, claims renewals and training / inscription; iv) fees for professional services and consultants for an amount of $46,796 which are mainly for auditors and I.R. representatives; and v) expenses related to the stock exchange and shareholders communications totalling $11,392.

Operating activities for the quarter ended March 31, 2012

During the quarter, the cash flow generated by the operating activities amounted to $108,885, mainly due to the fact that the taxes receivables as at December 31, 2011 were received during the quarter for an amount of $419,015.

Financing activities for the quarter ended March 31, 2012

During the quarter, the Company hasn't completed any additional financing.

Investing activities for the quarter ended March 31, 2012

During the quarter, the cash flow used by the investing activities totalling $581,038 was mainly for: i) acquisition of claims in the amount of $15,000 on the Caumont property and ii) exploration and evaluation expenses assets work done on all the properties totalling $556,038 (net of $133,975 related to exploration and evaluation assets that is still in the accounts payable and accrued liabilities)..

The details of the total exploration and evaluation expenses done in the quarter on each property are:

PROPERTIES	Exploration work
	Third quarter ($)
Balance as at December 31, 2011	**2,772,288**
Amiral	3,328
Arques	234,414
Bourier	40,761
Caumont	23,998
Dumulon	4,008
Duval	12,219
Lemare	16,149
Nisk	31,480
Rosebay	3,809
Valiquette	33,736
Increase for the period	**403,902**
Balance as at March 31, 2012	**3,176,190**

Operating results for the quarter ended March 31, 2012 (continued)

Exploration and evaluation assets by property					
	Amiral ($)	Arques ($)	Bourier ($)	Caumont ($)	Dumulon ($)
Balance as of Dec. 31, 2011	**53,287**	**90,331**	**1,064,001**	**260,891**	**33,731**
Supervision, salaries and fringe benefits	826	35,915	4,885	8,362	1,157
Geology and geophysics	1,867	3,572	10,707	14,137	1,910
Test, sampling and prospecting	-	5,291	3,757	-	-
Drilling, equipment rental and other material	64	171,711	19,247	-	-
Lodging and meals	358	16,030	1,095	607	728
General exploration expenses	213	1,895	1,070	892	213
Increase for the quarter	**3,328**	**234,414**	**40,761**	**23,998**	**4,008**
Balance as at March 31, 2012	**56,615**	**324,745**	**1,104,762**	**284,889**	**37,739**

	Duval ($)	Lemare ($)	Nisk ($)	Rosebay ($)	Valiquette ($)
Balance as of Dec. 31, 2011	**232,083**	**151,037**	**520,727**	**31,361**	**334,839**
Supervision, salaries and fringe benefits	1,174	8,779	17,586	1,157	7,205
Geology and geophysics	-	-	1,117	1,847	8,788
Test, sampling and prospecting	9,719	-		-	-
Drilling, equipment rental and other material	639	4,796	9,003	-	15,120
Lodging and meals	-	1,887	1,673	491	1,404
General exploration expenses	687	687	2,101	314	1,219
Increase for the quarter	**12,219**	**16,149**	**31,480**	**3,809**	**33,736**
Balance as at March 31, 2012	**244,302**	**167,186**	**552,207**	**35,170**	**368,575**

Operating results for the nine-month period ended March 31, 2012

Cash and Financing sources

As at March 31, 2012, the total assets of the Company were at $12,287,667, a decrease of $701,095 compared to June 30th, 2011. This decrease is directly related to the operating expenses.

The funds available to the Company at the end of the quarter are sufficient to complete its exploration budget planned for the current fiscal year of 2011-2012. However, the Company will have to seek additional funds before the end of the current fiscal year in order to secure the funds needed for its 2012-2013 budget for general and administrative expenses and to meet its short term financial obligations.

The Company's short term liabilities in the amount of $403,716 (excluding the liability related to flow-through shares of $198,033) represent a decrease of $167,731 during the nine-month period. These liabilities are mainly composed of payables related to exploration expenses in the amount of $133,976, other payables and accrued liabilities such as compensation, audit fees, legal fees and office and general administration expenses in the amount of $219,740 and also $50,000 for the payment of the commitment related to the Arques property milestone.

Condensed Interim Statement of Comprehensive Loss
(Unaudited)

Periods ended March 31, 2012

	Nine months ended March 31, 2012
	$
Expenses:	
Compensation	286,297
Share-based payments	414,255
Office and general administration expenses	95,640
Promotion and advertising	21,701
Representation, missions and trade shows	30,811
Registration, listing fees and shareholders' information	63,321
Professional and consultants fees	91,636
Total expenses	**1,003,661**
Net finance expense (income):	
Finance income	(22,671)
Finance expense	2,029
	(20,642)
Loss before income taxes and following items	**983,019**
Other income related to flow-through shares	(601,967)
Loss before income taxes for the period	**381,052**
Deferred income tax expense	636,000
Comprehensive loss for the period	**1,017,052**

Operating results for the nine-month period ended March 31, 2012 (continued)

The results for the nine-month period show a net loss and comprehensive loss of $1,017,052 or a loss per share of $0.032. Aside from interest revenues of $22,671, the Company has no revenues from operations. Its main expenses are: i) compensation totalling $286,297, which includes a bonus payment to the CEO and CFO for a total amount of $30,875 ii) share-based payments totalling $414,255 is a non-cash expense related to the issued share-based purchase options; iii) office and general administrative expenses totalling $95,640 mainly to cover rent, insurance, telecommunications, claims renewals and training / inscription; iv) fees for professional services and consultants for an amount of $91,636 which are mainly for auditors, legal counsel I.R. representatives and mining claims management, ; v) advertising / promotion / representation and trade shows totalling $52,512 and vi) expenses related to the stock exchange, shareholders communications and the annual shareholders' meeting totalling $63,321.

Operating activities for the nine-month period ended March 31, 2012

During the nine-month period, the cash flow used by operating activities totalled $733,637, which was financed by the working capital available upon the completion of the IPO in June 2011.

Financing activities for the nine-month period ended March 31, 2012

During the nine-month period, the Company hasn't completed any additional financing.

Investing activities for the nine-month period ended March 31, 2012

During the nine-month period, the cash flow used by the investing activities were mainly related to the acquisition of mining properties for an amount of $50,070 and for exploration and evaluation expenses assets work done on all the properties of the Company for a total amount of $3,063,367 (net of $133,975 related to exploration and evaluation assets that is still in the accounts payable and accrued liabilities).

The details for the total exploration and evaluation expenses done in the period on each property are presented in the following table:

PROPERTIES	Exploration work
	2011 ($)
Balance as at June 30, 2011	**160,643**
Amiral	56,615
Arques	287,892
Bourier	1,070,329
Caumont	284,889
Dumulon	37,739
Duval	244,302
Lemare	167,186
Sub-total for the nine-month period	**2,148,952**

PROPERTIES	Exploration work
	2011 ($)
Reported sub-total for the nine-month period	**2,148,952**
Nisk	505,616
Rosebay	35,170
Valiquette	325,809
Increase for the period	**3,015,547**
Balance as at March 31, 2012	**3,176,190**

Operating results for the nine-month period ended March 31, 2012 (continued)

Exploration and evaluation assets by property					
	Amiral ($)	Arques ($)	Bourier ($)	Caumont ($)	Dumulon ($)
Balance as of June 30th, 2011	**-**	**36,853**	**34,433**	**-**	**-**
Supervision, salaries and fringe benefits	1,610	50,418	207,008	46,759	1,661
Geology and geophysics	53,579	8,612	220,364	195,926	34,660
Test, sampling and prospecting	-	12,136	94,019	17,143	-
Drilling, equipment rental and other material	192	189,809	480,630	1,331	39
Lodging and meals	905	21,982	61,861	19,351	1,048
General exploration expenses	329	4,933	6,449	4,379	331
Increase for the nine month period	**56,615**	**287,892**	**1,070,329**	**284,889**	**37,739**
Balance as at March 31, 2012	**56,615**	**324,745**	**1,104,762**	**284,889**	**37,739**

Operating results for the nine-month period ended March 31, 2012 (continued)

Exploration and evaluation assets by property					
	Duval ($)	Lemare ($)	Nisk ($)	Rosebay ($)	Valiquette ($)
Balance as of June 30th, 2011	**-**	**-**	**46,591**	**-**	**42,766**
Supervision, salaries and fringe benefits	20,890	16,433	63,537	1,624	25,987
Geology and geophysics	5,593	39,645	94,902	32,298	57,397
Test, sampling and prospecting	10,067	5,967	19,827	-	9,581
Drilling, equipment rental and other material	185,151	94,169	281,621	36	210,323
Lodging and meals	17,950	9,790	38,032	788	19,892
General exploration expenses	4,651	1,182	7,697	424	2,630
Increase for the nine-month period	**244,302**	**167,186**	**505,616**	**35,170**	**325,809**
Balance as at March 31, 2012	**244,302**	**167,186**	**552,207**	**35,170**	**368,575**

Selected quarterly data

Operating results for each of the last 5 quarters are presented in the table below. The Company's management is of the opinion that the data related to these quarters were prepared in the same manner as that of the audited financial statements for the fiscal year ended June 30, 2011.

Operating results as at:	Finance income ($)	Loss (profit) before income taxes ($)	Comprehensive loss ($)	Loss per share – basic and diluted ($)
March 31, 2012	2,270	199,911	241,911	0.008
December 31, 2011	9,800	(79,977)	243,023	0.024
September 30, 2011	10,601	261,118	532,118	0.017
June 30, 2011	926	76,416	76,416	0.010
March 31, 2011	-	-	-	-

Selected quarterly data (continued):

Common shares:

Outstanding shares information as at:	Common shares outstanding	Number of weighted average Common shares outstanding
As at the date of this report	31,970,100	31,970,100
March 31, 2012	31,970,100	31,900,869
December 31, 2011	31,900,100	31,900,100
September 30, 2011	31,900,100	31,835,970
June 30, 2011	31,750,100	6,978,122
March 31, 2011	100	1

Share purchase options:

Outstanding share purchase options as at:	Options issued	Options exercisable	Average exercise strike price ($)
As at the date of this report	2,250,000	1,700,000	0.40
March 31, 2012	2,250,000	1,637,500	0.40
December 31, 2011	2,250,000	1,362,500	0.40
September 30, 2011	2,000,000	1,362,500	0.40
June 30, 2011	-	-	-
March 31, 2011	-	-	-

As at March 31, 2012, the Company had in circulation 2,250,000 options to purchase Common Shares. These options allow their holder to subscribe Common Shares at a price of $0.40 per Common Share for a period varying from 24 months to 60 months from the issue date, subject to the conditions established under the Common Share Purchase Option Plan.

Selected quarterly data (continued):

Warrants:

Outstanding warrants to shareholders as at:	Warrants issued to shareholders	Warrants exercisable	Average strike price ($)
As at the date of this report	2,600,000	2,600,000	0.45
March 31, 2012	2,600,000	2,600,000	0.45
December 31, 2011	2,600,000	2,600,000	0.45
September 30, 2011	2,600,000	2,500,000	0.45
June 30, 2011	2,500,000	2,500,000	0.45
March 31, 2011	-	-	-

Outstanding warrants to brokers as at:	Warrants issued to brokers	Warrants exercisable	Average exercise strike price ($)
As at the date of this report	910,000	910,000	0.40
March 31, 2012	910,000	910,000	0.40
December 31, 2011	910,000	910,000	0.40
September 30, 2011	910,000	910,000	0.40
June 30, 2011	910,000	910,000	0.40
March 31, 2011	-	-	-

As at March 31, 2012, the Company had issued 2,600,000 exercisable warrants to shareholders and 910,000 exercisable warrants to brokers. Each warrant allows its holder to subscribe 1 common share at a price varying between $0.40 per share to $0.45 per share for a period of 18 months following their issue date.

Related Party Transactions and Commercial Objectives

During the period that ended March 31, 2012, the Company incurred expenses for services rendered by executive officers of the Company. These services were rendered in the normal course of operations and were measured at the exchange amounts, being the amount agreed between the parties.

Related Party Transactions and Commercial Objectives (continued)

	Third quarter ($)	Nine months ($)
President salary	44,997	96,396
President share-based payments	-	115,128
Professional fees towards the directors	15,000	48,250
Share-based payments towards the directors	32,028	218,448
Chief Financial Officer salary	38,031	70,145
Chief Financial Officer share-based payments	7,201	30,092

During the period that ended March 31, 2012, a bonus was paid out to the president and to the chief financial officer for an amount totalling $30,875.

Inter-company transactions carried out during the three-month period between the Company and the entity having significant influence, Nemaska Lithium Inc. (“Nemaska”), totalled a net amount of $113,632 (excluding sales tax), split as follows: $10,698 of exploration and evaluation assets expenses, $76,303 of compensation, of which $61,303 represents wages paid to key management personnel, $6,009 as representation / promotion / missions / trade shows and $20,622 as general administrative and office expenses.

Inter-company transactions carried out during the nine-month period between the Company and the entity having significant influence, Nemaska, totalled a net amount of $730,619 (excluding sales tax), split as follows: $425,873 of exploration and evaluation assets expenses, $201,798 of compensation, of which $144,816 represents wages paid to key management personnel, $2,177 paid for consultants and professionals, $34,653 as representation / promotion / missions / trade shows and $66,118 as general administrative and office expenses.

Off Balance sheet agreements

The Company hasn’t concluded any off balance sheet agreements.

Obligations and contractual commitments

The Company had the following commitments as at the date of this report:

Obligations and contractual commitments (continued)

Arques, Bourier, Lemare and Nisk properties (previously Lac Arques)

Upon the acquisition of the properties, the Company took in charge 100% of an agreement on a group of 396 claims included in the Lac Arques property in the province of Québec. Upon the properties restructuration, these 396 claims related to this commitment were assigned as follows: 109 claims to the Arques property, 142 claims to the Bourier property, 98 claims to the Lemare property and 47 claims to the Nisk property.

As part of this agreement, the Company has agreed to pay to one of the seller a maximum of $1,000,000, conditional on the achievement of certain stages of works and results on the claims acquired under the Lac Arques Purchase and Sale Agreement, which are defined as follows:

- $150,000 if and when the Company will have completed exploration work corresponding to a cumulative minimum amount of $5,000,000 on the property;
- $300,000 upon obtaining an independent pre-feasibility study; and
- $500,000 upon obtaining an independent feasibility study confirming that the property can support commercial production.

As at March 31, 2012, cumulative exploration expenses totalling $2,764,081 ($2,037,224 as at June 30, 2011) were done on the properties, of which, $1,911,404 is included in the acquisition costs of the properties. This cumulative amount must be taken into consideration in the calculation of the minimum exploration work to be carried out to reach the trigger level of payments.

A 3% NSR will be payable to the initial sellers under the Lac Arques Purchase and Sale Agreement in case of a commercial production of all metals extracted from the or part of the 396 claims. However, the Company shall have the option at all time and until the expiration of a period of 3 months following the official production statement, to repurchase 1% NSR from the vendors, proportional to their interest therein subject to the payment of an amount of $1,000,000 payable in two equal and consecutive instalments, the first instalment being payable upon the date of exercise of the option to repurchase part of the NSR and the second at the latest 90 days following the date of payment of the first instalment.

Arques / Lemare / Nisk (previously Lac Levac):

Upon the properties restructuration in June 2011, 150 claims related to this commitment of the Lac Levac property were assigned as follows: 1 claim to the Arques property, 83 claims to the Lemare property and 66 claims to the Nisk property. Pursuant to a net smelter return agreement dated January 15, 2010 (the “Net Smelter Return Agreement”); the initial seller has retained a 2% NSR, of which a 1% NSR can be repurchased by the Company for an amount of $1,000,000 within the first three years.

In addition, the Company has undertaken, should it receive a good-faith offer from a third-party for any of the Nisk property claims, not to dispose of any such Nisk claims without having entitled the initial seller to purchase such Nisk claims at the price of such offer, pursuant to a right of first refusal agreement dated January 15, 2010 (the “Right of First Refusal Agreement”).

Obligations and contractual commitments (continued)

Caumont, Duval and Valiquette properties (previously Lac des Montagnes)

From the 279 claims forming the Lac des Montagnes property, 197 of them have been designated before November 2008 as being subject to a 2% NSR, of which a 1% NSR can be repurchased by the Company for an amount of $1,000,000 within the first three years to be paid in favor of the initial seller. Upon the properties restructuration, these 197 claims related to this commitment were assigned as follows: 19 claims to the Caumont property, 56 claims to the Duval property and 122 claims to the Valiquette property. Furthermore, the initial seller keeps a right of first refusal should the Company receive a good-faith offer from a third-party for any of the 197 claims to purchase such claims at the price of such offer.

In addition, pursuant to an acquisition agreement dated October 28, 2010 for 24 claims forming part of the Lac des Montagnes property (part of the Caumont West block) these claims are subject to a 1.5% NSR payable in favor of the initial seller. 1% of that NSR can be repurchased at all time and until the expiration of a period of 3 months following the official production statement, subject to the payment of an amount of $1,000,000 payable in two equal and consecutive instalments, the first instalment being payable upon the date of exercise of the option to repurchase part of the NSR and the second at the latest 90 days following the date of payment of the first instalment.

Furthermore, pursuant to an acquisition agreement between the Company and Les Ressources Tectonic Inc. finalized on March 29, 2012, 13 claims were added to the Caumont property. In consideration for the claims, the Company paid to the seller $15,000 in cash and issued 70,000 common shares in the capital of the Company. These common shares are subject to a 4-month hold period. The claims are subject to a 1% NSR, which can be repurchased at any time by the Company for an amount of $1,000,000 to be paid in favor of the seller.

Arques

On September 28, 2011, the Company acquired ten (10) mining claims known as “the North Rupert Block”, which were held by the seller. These mining claims are located in the Province of Québec and are enclosed in the Arques property owned at 100% by the Company.

On October 12, 2011, the Company paid to the seller $5,000 in cash and issued 50,000 common shares in the capital of the Company as a consideration for the claims acquired. These common shares are subject to a 4-month hold period.

Also, the Company has agreed to pay the seller 1.5% NSR if any of the claims comprising the North Rupert Block are brought into production. The Company has the right, at any time, to purchase 0.5% of the NSR by paying the seller the sum of $500,000 in cash.

Valiquette

On July 14, 2011, the Company purchased three (3) mining claims located to the west of the Valiquette property. Conditional to reaching a certain number of meters of diamond drilling on the claims, the Company has also agreed to pay to the seller an additional amount of a maximum of $60,000 and to issue a maximum of 500,000 additional units, in equal portions of $15,000 and 100,000 units, every 3,000 meters of diamond drilling on the claims, starting from 3,000 meters.

Obligations and contractual commitments (continued)

Valiquette (continued)

The exercise price of the warrants at the date of granting will be established as the weighted average price of the common shares on the TSX Venture Exchange, during the period of 30 calendar days following the reaching of said number of meters. This commitment is in force as long as the claims remain in good standing. Also, the Company has agreed to pay to the seller a 2% NSR on all metals from the acquired claims. The Company has the right, at any time until the expiration of the 3 month-period following the official production statement, to purchase 1% of the NSR by paying to the seller the sum of $1,000,000 in cash.

Flow-through shares

The Company is committed to incur exploration and evaluation expenses of $4,000,000 by December 31, 2012 and to transfer the tax deductions related to these expenditures to the subscribers of its flow-through share underwriting completed on June 10, 2011. As at March 31, 2012, the Company had funds reserved for exploration amounting to $984,453 ($4,000,000 as at June 30, 2011).

Additional information required from junior issuers with no significant income

The Company reports the information on its exploration and evaluation assets in note 5 of its unaudited interim financial statements for the quarter ended march 31, 2012.

The Company has no research and development expenses.

The Company has no other deferred expenses than those related to its mining properties and explorations expenses.

The office and general administration expenses for the quarter and nine-months period ended March 31, 2012 are composed of the following expenses:

Office and general administration expenses		
	Third quarter ($)	**Nine-months ($)**
Mining claims	16,789	28,412
Office supplies and mailing	2,884	7,280
Insurances, taxes and permits	4,403	11,974
Office and equipment lease and maintenance	3,850	25,037
Telecommunications	1,664	5,334
Training, HR activities and other expenses	5,682	17,603
Total	**35,272**	**95,640**

Financing sources

The financing sources since March 31st, 2011 up to the date of this report are listed in the following table:

Date	Type	Financings	Amount ($)	Use of proceeds
June 10, 2011	Prospectus, Initial public offering	Common shares	2,000,000	General administrative expenses and mining properties acquisition.
		Flow-through shares	4,000,000	Exploration work on the properties owned by the Company.

SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Basis of presentation

(a) Statement of compliance:

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting*, as published by the International Accounting Standards Board ("IASB").

The accounting policies applied in these condensed interim financial statements are based on IFRS issued and in effect as of May 28, 2012, the date on which the Board of Directors approved the condensed interim financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the period ending June 30, 2012 could result in restatement of these condensed interim financial statements.

These condensed interim financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2011.

Significant accounting policies:

The condensed interim financial statements have been prepared following the same accounting policies used in the condensed interim financial statements for the period ended September 30, 2011.

The accounting policies have been applied consistently to all periods presented in these condensed interim financial statements, unless otherwise indicated.

The accounting policies have been applied consistently by the Company.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES

Risks and Uncertainties

The acquisition of securities of the Company should be considered highly speculative with important risks of which, but not limited to:

The Company's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

Fair value of financial instruments

The carrying amounts of short-term financial assets and liabilities, which include cash and cash equivalents, taxes receivables and accounts payable and accrued liabilities, approximate their fair values due to the immediate or short-term maturities of these financial instruments.

Risk exposure and management

The Company is exposed to a certain amount of risks at different levels. The type of risk and the way the exposure is managed are described hereafter.

(i) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash equivalents bear interest at a fixed rate of 1.30% per year. In relation with those items, there is no exposure to fair value variation due to the fact that they are redeemable at any time. The other financial assets and liabilities of the Company do not represent interest risk because they are without interest. The Company does not use financial derivatives to decrease its exposure to interest risk.

Currency risk:

The Company is not exposed to currency fluctuations as all transactions up to now have occurred in Canadian dollars, which is the functional currency of the Company.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they fall due.

FINANCIAL RISK, MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risks and Uncertainties (continued)

Risk exposure and management (continued)

(ii) Liquidity risk (continued):

The Company manages liquidity risk through the management of its capital structure, as outlined in note 16. It also manages liquidity risk by continuously monitoring actual and projected cash flows.

As at March 31, 2012, all of the Company's financial liabilities had contractual maturities of less than one year. At the same date, the Company had $238,073 in cash and cash equivalents not reserved for exploration ($1,092,699 as at June 30, 2011) plus $67,390 in sales tax receivables ($93,882 as at June 30, 2011) to meet its financial liabilities and future financial liabilities from its commitments. The Company also had $984,453 ($4,000,000 as at June 30, 2011) of funds reserved for exploration as at March 31, 2012. The Company will have to seek additional funds before the end of the current fiscal year in order to secure the funds needed for its 2012-2013 budget for general and administrative expenses and to meet its short term obligations associated with its financial liabilities.

(iii) Credit risk:

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents. Financial instruments which potentially expose the Company to credit risk mainly consist of cash and cash equivalents. The credit risk on cash and term deposit is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Properties titles

According to the mining law and regulations of the Province of Quebec, the Company, to renew its claims, must do a minimum of exploration expenditures and pay to the Quebec government, a rent per claim, for every 2 year renewal period. The next renewals to come between the date of this MD&A and June 30th, 2012 cover 133 claims. While the required exploration expenditures in the amount of $43,000 has already been done for the renewal of most of these claims for an additional 2 year period, mining rights in the amount of $7,049 will have to be paid.

Additional financing

In the future, additional funds will be required to finance the exploration or development work on the Company's properties, to pay for the renewal of the claims forming the properties and to cover the costs of managing the Company. The main sources of funds available to the Company are the issuance of additional shares, the borrowing of money or the sale of interests in its properties. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company.

Conditions of the industry in general

The exploration and development of mineral resources involves significant risks that even an allied neat evaluation with experiment and know-how cannot avoid. Although the discovery of a deposit can prove extremely lucrative, few properties where exploration and development work are carried out become producing mines thereafter. Important expenditures are necessary to establish ore reserves, to work out the metallurgical processes and to build the mining plant on a particular site. It is impossible to provide assurance to the effect that the exploration and development programs contemplated by the Company will generate a profitable mine.

Economic viability of a mineral deposit depends on many factors, of which some are due to the particular characteristics of the deposit, in particular its size, its content and its proximity with the infrastructures as well as the cyclic character of the prices of metals and the governmental regulations, the royalties, the limits of production, the import and export of minerals and the protection of the environment. The impact of these factors cannot be evaluated in a precise way, but their effect can make so that the Company does not provide an adequate return of the funds invested.

The mining activities comprise a high level of risks. The activities of the Company are subject to all the dangers and the risks usually dependent on the exploration and the development, including the unusual and unforeseen geological formations, explosions, collapses, floods and other situations which can occur during drilling and the removal of material and of which any could cause physical or material or environmental injuries and, possibly, legal responsibility.

Governmental regulation

The activities of the Company are subject to various federal, provincial and local laws, which relate to the exploration and development, taxes, standards of work, diseases and the occupational safety, the safety in mines, toxic substances, the protection of the environment and others. The exploration and the development are subject to legislative measures and lawful with the federal, provincial and local levels relating to the protection of the environment.

These laws impose high standards on the mining industry, in order to control the rejects of waste water and to force the participants to account for such controls to the lawful authorities, to reduce or eliminate the impact that are generated by certain production activities; extraction and of treatment and which are later on deposited on the ground or are rejected into the air or the water, to complete work of restoration of the mining properties, to control dangerous waste and materials and to reduce the risk of industrial accidents. The defect to conform to the above-mentioned legislative measures can involve important fines and other penalties.

Risks of lawsuits and no insurable risks

The Company could be held responsible for pollution or for other risks against which it could not be insured or against which it could choose not to be insured, being given the high cost of the premiums or for other reasons. The payment of sums in this respect could involve the loss of the assets of the Company.

Conflicts of Interest

Some of the directors and officers of the Company are engaged as directors or officers of other corporations involved in the exploration and development of mineral resources. Such engagement could result in conflict of interest. Any decision taken by these directors and officers and involving the Company will be in conformity with their duties and obligations to compromise in an equitable way and in good faith with the Company and these other corporations. Moreover, these directors and officers will declare their interest and will abstain to vote on any question which could give place to a conflict of interest.

Permits, licences and authorizations

The activities of the Company require obtaining and maintaining permits and licences from various governmental authorities. The Company considers that it holds all the permits and licences required for its activities; it currently carries on, in accordance with the relevant laws and by-laws. Changes brought to the by-laws could affect these permits and licence. Nothing guarantees that the Company can obtain all the permits and all the necessary licences in order to continue its mining activities, to build mines or mining plants and to begin the exploitation of its exploration properties. Moreover, if the Company begins the exploitation of an exploration property, it will have to obtain the necessary permits and licences and to conform to all the required obligations concerning the use of water, removal of waste etc. It cannot be guaranteed that the Company will be able to obtain these permits and licences, nor that it will be able to conform to their requirements.

Dependence on the management

The Company is dependent towards certain persons of its management. The loss of their services could have an unfavourable impact on the Company.

Territorial claims

The properties in which the Company holds an interest are not currently subject to territorial claims on behalf of first nations. No insurance can however be provided to the effect that such will not be the case in the future.

Price of metals

The price of the common shares, financial results of the Company like its exploration and development activities; could undergo in the future, important negative effects because of the fall of the prices of metals, resulting in an impact on the capacity of the Company to finance its activities. The prices of metals fluctuate in an important way and are tributary to various factors which are independent of the will of the Company, such as the sale or the purchase of metals by various brokers, central banks and financial institutions, the rates of interest, foreign exchange rates, the rates of inflation, of deflation, the fluctuations in the value of the Canadian dollar and the currencies, the regional and world offer and demand, the economic conjuncture and policy which prevails in the countries of the world which are large metal producers. The prices of metals largely fluctuated these last years and any serious fall could prevent the continuation of the development activities of the properties of the Company.

Additional Information and Continuous Disclosure

This MD&A was prepared as of May 28, 2012. Additional information, including the technical reports mentioned herein, can be found on the website www.sedar.com.

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