This "Management's Discussion and Analysis" has been prepared as of April 28, 2010 and should be read in conjunction with the unaudited consolidated financial statements of the Company for the nine months ended February 28, 2010 and the audited consolidated financial statements and related notes thereto for the year ended May 31, 2009 (the "Financial Statements"), which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts in the financial statements and in this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

FORWARD LOOKING INFORMATION

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Oroco Resource Corp. ("Oroco" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate," "believe," "estimate," "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward looking statements. This MD&A contains forward looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

THE COMPANY

The Company was incorporated under the British Columbia Business Corporations Act on July 7, 2006. The Company's head office is located at Suite 789, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2. The Company and its subsidiaries are engaged in the acquisition, exploration and development of mineral properties in Mexico with a primary focus on the accelerated exploration and development of its advanced stage polymetalic Cerro Prieto property in Sonora State, Mexico.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "OCO", and it also trades on the Frankfurt Stock Exchange Open Market under the trading symbol "OR6" and the US OTC exchange under the trading symbol "ORRCF.PK". The Company's website address is: "www.orocoresourcecorp.com".

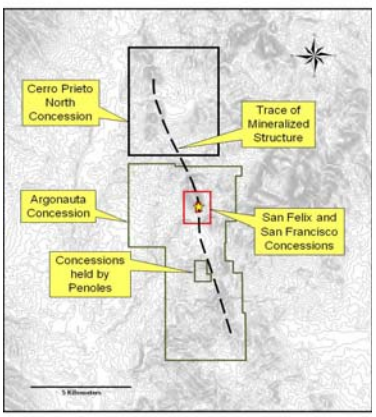
The Company has three wholly owned subsidiaries: Minera Polimetalicos Mexicanos, S.A. ("Polimetalicos"); Minas de Oroco Resources, S.A. de C.V. ("Minas de Oroco") and Minera Xochipala S.A. de C.A. ("Minera Xochipala"). Minas de Oroco and Minera Xochipala are used to hold the Company's Mexican mining concessions and to conduct business in Mexico. Polimetalicos, 100% owned directly by the Company, is a holding company which holds 98% (49 of 50 shares) of Minas de Oroco (the other 2%, being 1 share, is held by Minera Xochipala). Minera Xochipala is 98% (49 of 50 shares) directly owned by the Company, with 2% (1 share of 50) held by Minas de Oroco.

The Company's properties are in the exploration stage and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the exploration and development of the mineral properties and upon future profitable production or proceeds from the disposition thereof.

MINERAL PROPERTIES

Cerro Prieto Property, Sonora State, Mexico

The Cerro Prieto Property (see figure below), located in the Cucurpe Mining District, Sonora, Mexico, is comprised of the San Felix (205 ha), San Francisco (10 ha) and Cerro Prieto "North" (2,508 ha) mining concessions and that 4,120 ha portion of Yamana Gold Inc.'s ("Yamana") Argonauta 5 Fraccion 1 mining concession (the "Argonauta Property") to which the Company holds, through Minas de Oroco, an option to acquire a 100% interest in, subject to a 2% net smelter returns royalty.



The heart of the Cerro Prieto Property is the San Francisco and San Felix mineral concessions (the "SF Concessions"). The Company acquired an assignment of ATM Mining Corp.'s ("ATM") and Salvador Rivero's ("Rivero") rights and interests in the SF Concessions and the Celia Gene and Celia Generosa concessions (the "Xochipala Property") pursuant to an assignment agreement (the "Assignment Agreement") dated August 26, 2006, as amended on December 15, 2006 and May 18, 2007. Under the Assignment Agreement, the Company paid $69,000 to ATM for costs associated with the Xochipala Property, accepted share subscriptions from ATM to purchase 5,350,000 common shares of the Company and assumed ATM's obligation to issue 3,150,000 common shares to Rivero.

The title to the SF Concessions, the Cerro Prieto "North" concession and the right to the Argonauta Property are held by Minas de Oroco. Both Polimetalicos and Minas de Oroco were formed by the vendors of the SF Concessions (the "Cerro Prieto Vendors") to facilitate the Company's acquisition of the SF Concessions which were the sole asset of Minas de Oroco at that time. Polimetalicos acts as a holding company for shares of Minas de Oroco as set out above. In connection with the Assignment Agreement, the Company entered into an agreement with the Cerro Prieto Vendors to purchase 100% of the outstanding shares of Polimetalicos in consideration for $2,500,000 USD (paid).

The SF Concessions are subject to a 2% net smelter royalty in favor of the Cerro Prieto Vendors, with a minimum royalty payment in the amount of US$30,000 per quarter payable from April 1, 2009 until net smelter royalty payments commence from production.

The Cerro Prieto "North" concession was staked on behalf of the Company by German Gonzalez Canas in 2007. Minas de Oroco acquired registered title to the concession pursuant to an agreement with Mr. Canas dated March 9, 2009.

The Company acquired an option to the Argonauta Property pursuant to an agreement with Yamana dated May 5, 2009. Under this agreement, the Company agreed to pay Yamana 500,000 common shares at the time of granting the option (paid), to conduct 750 metres of drilling before December 31, 2009 (completed), a further 750 metres of drilling by December 31, 2010 (completed) and to reimburse Yamana for any related property taxes paid by Yamana during the term of the option. After completion of the drilling, the Company may exercise the option to acquire a 100% interest in the Argonauta Property, subject to a 2% net smelter royalty, by issuing a further 500,000 common shares to Yamana.

The Cerro Prieto Property is 52 road kilometers from the regional centre of Magdalena de Kino (population 40,000) and 150 kilometers northeast of the city of Hermosillo. Major electricity transmission lines are less than five kilometers from the project and water is also available within five kilometers. A major highway connects Magdalena de Kino with Hermosillo to the south and the state of Arizona, USA 80 kilometers to the north.

The San Francisco concession contains the past producing Cerro Prieto Mine and polymetallic (Au-Ag-Pb-Zn) deposit. Mineralization is contained within a 25 to 65 meter thick shear zone which cuts all units from Jurassic to Lower Tertiary in age and which extends from surface to below the lowest level of the historic workings (a depth of approximately 335 meters), is open at depth and to the north and south. Within this shear zone are series of veins, secondary veins, stringers zones, brecciation and silicification, which, together, produce a continuous mineralized zone 25 meters to 65 meters thick. This principal structure is a regional structure that can be traced for approximately 10 kilometers north and south of the Cerro Prieto Mine with approximately 17.5 kilometers of strike length potential contained on the Cerro Prieto Property.

Cerro Prieto Property Phase One Exploration Program - 2008

SF Concessions

n April 2008, the Company commenced a 6,000 meter diamond drill program on the SF Concessions to confirm a historical resource calculated by Morgain Minerals in 1998 and to expand on the resource to depth and along strike. The program was designed to intersect the mineralized structure at 100 meter intervals along strike and down dip. The Phase One program (24 holes, 5,975.1 meters) tested the mineralized structure on the SF Concessions (the “Cerro Prieto Mineralized Zone”) over a 900 meter strike length to a maximum depth of 400 meters below surface. The mineralized structure was intersected in all but two holes, which were abandoned prior to intersecting the zone due to bad drilling conditions.

Results for all holes have been reported in press releases. Highlights include thick intersections (up to 65.4 meters true thickness) of combined gold, silver, lead and zinc values that may be amenable to open pit extraction as well as thinner intersections of high grade mineralization.
The Company also completed a trenching program at 50 meter intervals along the strike of the Cerro Prieto Mineralized Zone. It is significant that, although all trenches did not fully cross the zone due to open stopes or difficult topographic conditions, each section produced assays of potential economic significance and outlined the mineralized zone over a strike length of 1,250 meters.

Using the 2008 drill and trench results the Company obtained a NI 43-101 compliant technical report dated April 14, 2009 (the “Report”) from Gary Giroux, P. Eng, and Duncan Bain, P. Geo, which provided the Company with resource estimates with regard to the 600 metres of strike length, to a maximum depth of 350 metres, drilled in the SF Concessions (see the following table). As the areas of the higher grade gold and the higher grade zinc overlap, but are not totally coincident, resource estimates were calculated using first a gold cut-off and, second, using a zinc cut-off. As the zinc cut-off resource estimates contain many of the same blocks as included in the gold cut-off estimates, the zinc cut-off estimates should not be added to the gold cut-off resource estimates. In the opinion of Giroux, these resource estimates indicate a potential open pit scenario. (For tables of resources at different cut off grades please refer to the Report filed on Sedar).

Phase One Resource Estimates

A. Using a 0.50 g/t Gold Cut-off

ESTIMATED RESOURCES IN OXIDE ZONE					
Category	**Tonnes > 0.50 Au g/t Cut-Off**	**Au (g/t)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**
Indicated	7,450,000	1.24	12.8	0.41	1.04
Inferred	140,000	0.99	11.2	0.73	1.98

The following table shows gross contained metal within the estimated resources from the tables above. However, potentially recoverable amounts of each metal will be reduced by metallurgical and other recovery factors.

Category	Tonnes > Cut-Off	Au (ounces)	Ag (ounces)	Zn (pounds)
Indicated	7,450,000	297,000	3,066,300	170,765,900
Inferred	140,000	4,500	50,400	6,109,500

B. Using a 0.50% Zinc Cut-off

ESTIMATED RESOURCES IN OXIDE ZONE					
Category	**Tonnes > 0.50% Zn Cut-Off**	**Au (g/t)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**
Indicated	20,440,000	0.43	8.7	0.38	1.20
Inferred	6,290,000	0.13	14.5	0.30	1.04

The following table shows gross contained metal within the estimated resources from the tables above. However, potentially recoverable amounts of each metal will be reduced by metallurgical and other recovery factors.

Category	Tonnes > Cut-off	Au (ounces)	Ag (ounces)	Zn (pounds)
Indicated	20,440,000	282,600	5,717,400	540,597,100
Inferred	6,290,000	26,300	2,932,400	144,176,900

Metallurgy

The Company retained SGS de Mexico, S.A. de C.V. (“SGS”), under the direction of the Company’s consultant, Mr. Art Winckers of Arthur H. Winckers and Associates (“Winkers”) to conduct a preliminary metallurgical study on sample rejects from drill holes CP009 and CP019, two holes that are considered by the Company to be representative of the deposit.

SGS was asked to deliver results for precious metal extraction using a cyanide leach and for zinc extraction using a sulphuric acid leach. Highlights of the results of the tests include:

1. Gold – using a grind size of 80% minus 200 mesh and a NaCN concentration of 3 g/l, extracted an average of 91.5% of the gold and 35% of the silver over six tests in a 96 hour leach.

2. Gold – using the minus 10 mesh fraction and a NaCN concentration of 0.25 g/l, extracted an average of 85% of the gold and 19.7% of the silver from an overall composite sample within less than 48 hours.

3. Zinc – using a grind size of 80% minus 200 mesh, and a sulphuric acid addition of 31 kg/t, extracted an average of 64% of the zinc and 13% of the silver in a six hour leach. Winckers noted that the relatively low recovery was probably a result of the short leach time.

4. Zinc – using the minus 10 mesh fraction on an overall composite sample and a sulphuric acid addition of 35.8 kg/t resulted in an 85.3% zinc extraction and a 13.0% silver extraction within less than 72 hours.

5. Lead – lead was not recoverable above 10% in any of the tests attempted.

Winckers concluded that: “The results of these very preliminary leach tests are viewed as promising considering that high zinc and gold extractions were obtained with low lixiviant additions that are not considered to be optimized.”

The 85.3% zinc recovery using only 35.8 kg/t of sulphuric acid indicates the lack of problematic carbonate rock and silicate minerals in the Cerro Prieto Project. Most producing zinc oxide deposits are in carbonate hosts and many also contain zinc silicate minerals. As zinc is extracted using sulphuric acid, and carbonate rock neutralizes sulphuric acid, extraction of zinc in carbonate hosts requires either a very high amount of sulphuric acid (up to 200 kg/t) to digest both the carbonate and the zinc or a very costly alternative method to reduce the carbonate rock prior to extraction of the zinc. Zinc silicates are also difficult to extract requiring either very high rates of acid use or other, very costly, alternate techniques. The preliminary zinc extraction rates achieved indicate that zinc silicates are also not a problem in the Cerro Prieto mineralization.

Cerro Prieto “North” Concession

The northwest striking structural zone which hosts the Cerro Prieto Mineralized Zone found on the SF Concessions can be traced for approximately 4.8 kilometers across the Cerro Prieto “North” concession.

During 2008, a preliminary surface sampling program was undertaken to sample surface exposures of the proposed extension of the structure hosting the Cerro Prieto Mineralized Zone. Highlights of the sampling are presented in the following table.

Sample	Length (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
FCO 001	1.2	0.342	93.2	0.34	0.28
FCO 002	0.6	2.110	142.0	0.90	0.24
FCO 003	0.9	0.851	31.6	0.30	0.22
FCO 004	grab	0.090	31.0	0.09	0.04
FCO 005	1.2	2.180	134.0	0.44	0.43
FCO 006	1.1	1.960	139.0	0.23	0.26
FCO 007	1.3	0.268	200.0	0.15	0.24
FCO 008	0.4	0.330	143.0	0.26	0.09
FCO 009	0.85	1.240	132.0	0.22	0.08
FCO 010	Grab	0.194	87.8	0.17	0.09
FCO 011	0.4	0.146	107.0	0.24	0.20
FCO 012	0.3	0.084	33.3	0.05	0.07
FCO 013	0.3	0.162	111.0	0.07	0.10
FCO 014	0.8	0.400	47.9	0.32	0.79
FCO 015	1.0	1.700	115.0	2.26	3.17
FCO 016	0.5	0.031	1.1	0.04	0.04
FCO 017	1.0	0.616	28.9	0.71	1.40

Cerro Prieto Property Phase Two Exploration Program – 2009

Argonauta Property

As part of the Phase Two exploration program, 122 samples were taken along 900 meters of outcropping vein structure on the Argonauta Property on strike with the Cerro Prieto Mineralized Zone, starting at the northern boundary of the SF Concessions. The samples returned high grade or anomalous gold values along the entire strike length tested. The samples were selectively taken across areas of veining, brecciation or fault gouge only where they are exposed – no physical trenching was attempted. All samples are channel samples, with the exception of two which are composite grab samples. In the collection of channel samples attempts were made to get equal volumes of each rock type in the sample.

Sampling results are grouped into five geographic areas identified on a map which can be viewed at http://www.orocoresourcecorp.com/projects-Cerro-Prieto-Project-Maps-and-Sections.html).

In summary, the sampling program confirmed the extension of the Cerro Prieto Mineralized Zone over a strike length of 900 meters in addition to the 1,250 meters outlined by Oroco's 2008 Phase One drilling and trenching program. The complex structural regime and the high associated gold assays at the north end of the zone are indications of extensive ground preparation with the potential for associated strong mineralization.

Drilling

Resource Expansion Drilling

Phase Two exploration at the Cerro Prieto Property was completed in December 2009. Two drills completed a total of 8,575.9 meters in 42 holes. The drill program focused on the expansion of the Cerro Prieto Mineralized Zone in the SF Concessions on strike to the north of the 2008 resource area, the infill drilling of that portion of the 2008 resource area (the "Resource Area") considered to have the potential to be the site of initial mining, and a preliminary assessment of the Argonauta Property. Approximately 1,500 meters of strike length of the structure was tested in this phase of exploration.

A total of 16 of the holes were drilled on the SF Concessions directly north of the Resource Area at 100 meter intervals along strike and to depth to attempt to add resources in the oxide zone. Three holes were drilled into the sulphide zone and eight drill holes were completed on the Argonauta Property along the strike of the Cerro Prieto Mineralized Zone to the north of SF Concessions. The remaining 16 holes were infill holes in the upper section of the Resource Area.

Significant Intersections from Cerro Prieto Resource Expansion Drill Results

Hole No	**From (m)**	**To (m)**	**Apparent Thickness**	**True Thickness**	**Au (g/t)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**
CP025	219.0	272.1	53.1	34.5	0.13	4.2	0.19	1.01
and	222.0	266.5	44.5	28.9	0.14	4.9	0.22	1.16
and	223.5	253.0	29.5	19.2	0.15	7.1	0.29	1.45
CP026	131.0	146.6	15.6	14.0	0.32	65.2	0.10	0.28
incl	140.4	146.6	6.2	6.0	0.69	156.2	0.11	0.25
and	139.0	143.5	4.5	4.3	1.03	82.9	0.11	0.24
CP027	82.5	96.0	13.5	12.2	0.83	10.2	0.09	0.22
incl	87.0	93.5	6.5	5.9	1.66	19.1	0.14	0.25
incl	87.9	91.0	3.1	2.9	2.78	26.2	0.20	0.25
CP028	NO ASSAYS							
CP029	187.0	194.0	7.0	7.0	1.46	2.5	0.18	0.48
incl	188.5	189.5	1.0	1.0	9.07	5.3	0.25	0.64
CP030	*NSA							
CP031	204.0	240.0	36.0	31.0	1.28	2.3	0.33	1.13
incl	220.5	231.0	10.5	9.0	3.78	5.6	0.68	2.43
and	220.5	237.0	16.5	14.2	2.43	4.5	0.61	2.09
CP033	*NSA							
CP036	241.0	245.5	4.5	4.1	0.05	0.2	0.20	0.72
CP038	203.5	262.0	58.5	53.0	0.07	0.6	0.27	0.79
incl	204.5	213.0	8.5	7.7	0.18	0.9	0.48	1.45
and	236.5	245.5	9.0	8.2	0.04	0.7	0.33	1.26
CP040	246.5	328.5	82.0	61.0	0.20	0.7	0.18	0.87
incl	255.0	265.5	10.5	7.8	0.55	1.3	0.25	1.58

Hole No	From (m)	To (m)	Apparent Thickness	True Thickness	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
CP042	135.5	178.5	43.0	38.0	0.19	11.8	0.25	0.39
incl	137.0	139.0	2.0	1.7	1.81	2.8	0.31	0.33
and	142.5	152.0	9.5	8.1	0.39	24.6	0.46	0.86
CP043	214.0	243.5	29.5	20.5	0.23	9.2	0.44	1.41
incl	223.3	229.0	5.7	4.0	0.464	37.7	1.10	2.80
CP045	315.1	323.5	8.4	5.1	0.1111	1.2	0.11	0.89
CP047	90.5	92.0	1.5	1.5	0.63	0.2	0.02	0.07
and	117.0	120.0	3.0	3.0	0.03	13.1	0.16	0.71
CP048	282.0	350.0	68.0	40.0	0.17	1.2	0.30	0.79
incl	286.5	301.5	15.0	8.8	0.51	2.2	0.56	1.38
CP049	138.0	149.0	11.0	11.0	0.08	1.0	0.22	0.62
and	154.5	169.4	14.9	14.9	0.08	4.7	0.19	0.84

*NSA – No Significant Assays

At the north end of this drilled area, a post-mineralization crosscutting structure has vertically displaced the geological units between 150 and 200 meters. The near surface geology consists of porous coarse felsic pyroclastics that diffuse the mineralization as it is deposited. Although the structure continues through this area, the mineralizing fluids ascending the structure were not as constrained as to the south. The company has only drilled four widely space holes testing the structure in the 1.5 kilometer strike length of the exposed structure and will be testing this area in more detail in the future.

Infill Drilling

A total of 16 holes were drilled at the upper section of the Resource Area to close the drill spacing to 50 meters in an area that is considered to have the potential to have a higher than average grade and a low strip ratio. Results of the holes are presented in the following table.

Significant Intersections from Cerro Prieto Infill Drilling

Hole No	From (m)	To (m)	Apparent Thickness	True Thickness	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
	(m)	(m)	(m)	(m)	(g/t)	(g/t)	(%)	(%)
CP051	12.3	69.0	56.7	45.4	0.35	24.9	0.25	0.60
incl.	26.0	30.0	4.0	3.2	1.34	11.7	0.32	0.93
and	46.5	49.5	3.0	2.4	2.48	3.9	0.35	0.90
	55.5	60.0	4.5	3.6	0.31	262.2	0.86	1.84
CP052	94.5	142.5	48.0	28.5	0.19	6.5	0.37	0.76
incl.	108.0	126.0	18.0	10.7	0.32	14.6	0.66	0.44
CP053	52.5	63.5	11.0	11.0	1.76	19.7	0.37	1.34
incl.	57.0	62.3	5.3	5.3	3.26	17.4	0.53	1.79

Hole No	From (m)	To (m)	Apparent Thickness	True Thickness	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
	(m)	(m)	(m)	(m)	(g/t)	(g/t)	(%)	(%)
CP053 cont’d								
also	81.0	103.5	22.5	22.5	4.36	65.6	0.10	0.21
incl.	85.5	90.0	4.5	4.5	3.78	4.1	0.03	0.08
and	94.5	103.5	9.0	9.0	8.62	155.8	0.19	0.37
CP054	39.0	96.5	57.5	32.0	0.16	5.8	0.17	0.54
incl.	46.0	54.5	8.5	4.7	0.39	3.5	0.13	0.33
and	83.0	84.3	1.3	0.7	1.48	131.0	0.23	0.31
and	84.3	92.0	7.7	4.3	0.05	5.0	0.27	1.63
CP055	59.0	87.5	28.5	28.5	0.91	14.3	0.17	0.52
incl.	59.0	65.1	6.1	6.1	1.56	25.1	0.25	1.36
and	81.2	87.5	6.3	6.3	2.08	8.1	0.03	0.07
CP056	78.0	132.5	54.5	37.5	0.40	2.5	0.25	0.78
incl.	79.5	85.5	6.0	4.1	1.15	3.0	0.15	0.68
and	95.9	102.5	6.6	4.5	1.03	6.9	0.94	2.44
CP057	44.0	106.5	62.5	43.0	0.37	3.6	0.18	0.68
incl.	44.0	48.5	4.5	3.1	1.83	11.3	0.07	0.23
and	74.0	81.0	7.0	4.8	0.58	6.3	0.41	2.11
and	88.0	96.0	8.0	5.5	0.71	1.7	0.24	0.66
CP058	18.5	33.5	15.0	15.0	1.45	78.8	0.16	0.28
also	41.0	64.2	23.2	23.2	1.47	9.5	0.11	0.29
incl.	53.0	64.2	11.2	11.2	2.26	13.7	0.17	0.45
CP059	31.0	41.5	10.5	10.5	1.05	52.9	0.12	0.23
CP060	62.0	82.0	20.0	20.0	1.03	5.3	0.26	0.64
and	97.5	111.0	13.5	13.5	1.51	9.9	0.12	0.29
CP061	22.5	27.0	4.5	4.5	2.29	3.5	0.10	0.16
and	42.0	52.5	10.5	10.5	1.02	33.5	0.17	0.27
CP062	4.5	9.0	4.5	2.5	0.76	3.8	0.17	0.16
incl.	21.0	45.0	24.0	13.5	1.75	6.1	0.07	0.12
CP063	65.6	88.5	22.9	14.0	1.82	3.3	0.13	0.38
incl.	71.0	81.5	10.5	6.4	3.18	3.4	0.12	0.36
CP064	31.0	59.0	28.0	26.0	2.96	5.7	0.04	0.12
incl.	31.0	34.5	3.5	3.3	7.80	12.6	0.07	0.31
CP065	32.4	57.5	25.1	19.0	2.99	18.1	0.12	0.28

Hole	From (m)	To (m)	Thickness (m)	TT# (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
CP065 cont'd								
incl.	39.3	50.0	10.7	8.1	6.42	40.6	0.19	0.48
CP066	78.0	85.0	7.0	6.7	0.16	98.1	1.07	2.03
and	96.5	100.5	4.0	3.8	0.98	4.4	0.16	0.41

Holes CP051, CP052, CP054, CP056 and CP057 were drilled at the south end of the deposit where the base metals are more predominant than the precious metals because of a combination of vertical zoning and topography. The remaining holes were drilled at the north end of the deposit where precious metals are more predominant.

Drilling in Sulphide Zone

Three holes were drilled to test the sulphide zone identified in 2008 by CP011, which intersected 30 metres of 0.15 g/t Au, 13.3 g/t Ag, 0.14% Cu, 0.74% Pb and 2.02% Zn, including 8.5 metres of 0.19 g/t Au, 79.6 g/t Ag, 0.78% Cu, 3.71% Pb and 6.13% Zn. CP041, drilled 100 metres below CP011, intersected a 12-metre-thick mineralized zone with 0.08 g/t Au, 5.3 g/t Ag, 0.23% Cu and minor amounts of lead and zinc. CP044, drilled 200 metres south of CP011, intersected a 36-metre mineralized zone, including nine metres averaging 0.5 g/t Au, 5.9 g/t Ag, 0.14% Cu, 0.25% Pb and 1.37% Zn. CP046, drilled 300 metres north of CP011, intersected a 59-metre mineralized zone with weak values of all metals other than a 0.5-metre section that assayed 0.3 g/t Au, 4.3 g/t Ag, 18.7% Cu, 1.29% Pb and 0.16% Zn. Although the high-grade section intersected in CP011 was not intersected in the three follow-up holes, a significant strike length (over 16 kilometres) of the mineralized shear zone remains to be tested.

Phase Two Resource Estimates

The Company submitted the data from its 2009 Phase 2 exploration program to an independent geologist to prepare an updated resource calculation. The Company expects to receive the Phase II resource estimates in the very near future.

Metallurgy

The Company has retained Kappes, Kassidy and Associates, under the direction of Winckers, to conduct column leach metallurgical tests on samples from the Cerro Prieto Mineralized Zone. The Company has submitted approximately 1,000 kilograms of samples to Kappes Cassidy and is currently waiting for the results from these tests.

Environmental Study

The Company retained Clifton Associates Ltd. to conduct an initial environmental base line study on that portion of the Cerro Prieto Properties which may be relevant to a possible open pit mining operation. The preliminary base line study has been completed and the Company is expecting to receive the final report in the near future.

Preliminary Mining Assessment

The Company intends to submit the data from the updated resource calculation, once completed, to Moose Mountain, to complete a Preliminary Economic Assessment. It is anticipated that the Preliminary Economic Assessment will be available in June of 2010. The Company is now focused on fast tracking the higher grade portion of the deposit to production.

Xochipala Property, Guerrero State, Mexico

The Company, through its subsidiary, Minera Xochipala, purchased an interest in two contiguous mining concessions, Celia Generosa and Celia Gene (the “Xochipala Property”) and is pursuing the acquisition of registered title. In connection with the acquisition of the interest in the Xochipala Property, the Company paid approximately $18,000 (186,000 pesos) to the Xochipala vendors and various other parties, assumed a lien settlement of 500,000 pesos (approximately $50,000) and legal fees and other fees of 650,000 pesos (approximately $65,000). In addition the Company reimbursed ATM $69,000 for related expenses as mentioned above. The Company was aware at the time of purchase of liens registered on title to the Xochipala Property as against the benefit of a then expired (March, 2002) option agreement (the “Liens”), but had received Mexican legal advise that the liens could be removed and Minera Xochipala’s interest could then be registered.

Minera Xochipala’s title to the Xochipala Property is subject to the successful registration with the Public Registry of Mines (“PRM") of Minera Xochipala’s acquisition. The Company received notice from the PRM on October 14, 2009 advising that it was rejecting the Company’s application for registration of its interest in the Xochipala Property on the grounds that such registration would adversely affect the rights of the third party lien holders. The Company and its Mexican legal counsel are of the opinion that PRM’S position is wrong and not supported by Mexican law. The Company has appealed PRM’s initial decision to the Federal Court of Fiscal and Administrative Justice. The Company expects to receive a decision from the Federal Court later this year. If the Company is successful in having its interest in the Xochipala Property registered, it will be required to pay concession tax arrears and penalties in the amount of approximately 670,000 pesos (approximately $56,000). The Company has no current plans to conduct any further exploration on the Xochipala Property. The Company has decided to place this property into abeyance pending the final outcome of its application for registered title. Accordingly, the Company has written off $224,303 attributed to the costs of the Xochipala property.

The Xochipala Property has a combined area of 193 hectares and is located in the southeast extreme of the former Morelos National Mining Reserve in the state of Guerrero, Mexico, 30 kilometres northwest of Chilpancingo, the regional capital. The Morelos National Mining Reserve was a 49,400 hectares federal mineral reserve which encompassed a northwest trend of intrusions with associated gold bearing iron skarn deposits and is part of a wider area which has come to be known as the Guerrero Gold Belt. The Guerrero Gold belt hosts several producing or near producing gold deposits including Los Filos – Bermajal (Goldcorp), El Limon (Goldcorp and Teck Cominco) and Nukay (Goldcorp).

The Xochipala Property hosts skarn mineralization associated with felsic intrusions of similar age and composition to mineralization in the known ore deposits in the area. The mineralization lies in very well defined structures that outcrop for over one kilometer and were the site of some of the earliest gold mining in the region from a number of small underground artisanal workings.

Salvador Property, Guerrero State, Mexico

The Salvador Property is a 100 hectare mining concession 100% owned by Minera Xochipala which lies approximately 25 kilometers to the west of the Xochipala Property and approximately 30 kilometers west of Chilpancingo, Guerrero. The Salvador property also hosts skarn mineralization associated with felsic intrusions similar to mineralization in the known ore deposits in the area. The concession was acquired for the sum of 1,021,877 pesos ($108,201) paid in cash.

The Company has no immediate plans to conduct exploration on it, but may in the future consider conducting an exploration program on the property or forming a joint venturing with another company in order to conduct exploration. The Company had decided to write off costs of $113,010 attributed to the Salvador property at May 31, 2009.

FINANCIAL STATEMENT PRESENTATION

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

Mineral Properties and Related Deferred Exploration Expenditures

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property, based on estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs will be written off to operations.

Recorded costs of mineral properties and deferred exploration expenditure are not intended to reflect present or future values of resource properties.

RESULTS OF OPERATIONS

Quarter ended February 28, 2010

The loss for the three-months ended February 28, 2010 was $688,172 compared to $178,758 in the same period of the prior year, representing an increased loss of $509,414. The majority of this difference was due to the recognition of $457,706 in Stock-based compensation costs in the current quarter compared with $nil in the same period of 2009 due to the grant of 2.4 million incentive stock options in the quarter versus none in 2009. In addition, there was an increase of $36,042 in Management and director fees over the same quarter in 2009.

Nine-months ended February 28, 2010

The loss for the nine-month period ended February 28, 2010 was $1,043,333 compared with $580,909 in the same period of 2009, representing an increased loss of $462,424. The greatest component of this difference was due to the recognition of $464,800 in Stock-based compensation costs in the current period compared with $85,483 in 2009. Other material changes in costs contributing to the greater loss in the current nine-month period were increases in; Consulting fees of $50,947, Shareholder Communications of $66,068 all due to an increases in the relative level of activity experienced by the Company. These increased period over period costs were offset somewhat by decreases in Professional fees of $43,842, Office and General costs of $22,039 and $76,401 in Foreign exchange losses.

SUMMARY OF QUARTERLY RESULTS

Quarter	Feb. 28, 2010	Nov. 30, 2009	Aug. 31, 2009	May 31, 2009	Feb. 28, 2009	Nov. 30, 2008	Aug. 31, 2008	May 31, 2008
Admin. expense	685,397	202,495	170,544	753,563	167,533	243,397	138,454	332,020
Other income	(2,775)	14,805	3,073	(13,077)	(2,706)	8,074	(28,374)	(35,642)
Net loss for the period	688,172	187,690	167,471	694,474	170,239	235,323	166,828	367,662
Net loss per share	0.02	0.01	0.01	0.02	0.01	0.01	0.01	0.02
Total assets	6,911,210	6,951,746	5,875,035	4,873,300	5,470,068	5,618,027	5,834,785	5,984,580
Total Liabilities	219,096	288,053	348,694	229,575	221,361	199,081	265,999	248,966

Significant variation in the administrative expense for the period ending May 31, 2009 is mainly due to the write down of previously capitalized acquisition and exploration expenditures associated with the Xochipala Property and Salvador concession.

Significant variation in the total assets for the period ending August 31, 2009 is due to the completion of a private placement of equity in the Company as set out in Liquidity and Capital Resources below and the capitalization of the expenditures from the Company's 2009 Phase 2 exploration program on the Cerro Prieto Properties incurred during that three month period and the share consideration paid to Yamana Gold Inc. pursuant to the acquisition of an option to the Argonauta Property as set out above.

Significant variation in the total assets for the period ending November 30, 2009 is due to the completion of a private placement of equity in the Company as set out in Liquidity and Capital Resources below and the capitalization of the expenditures from the Company's 2009 Phase 2 exploration program on the Cerro Prieto Properties incurred during that period.

LIQUIDITY AND CAPITAL RESOURCES

As of February 28, 2010, the Company had a negative working capital position of $(56,578) as compared to the year ended May 31, 2009 when the Company had a negative working capital position of $(132,992). Cash in the bank was $139,150 at February 28, 2010.
In July, 2009, the Company completed a private placement of 6,500,000 units at a price of $0.15 per unit to raise gross proceeds of $975,000. Each unit consisted of one common share and one non-transferable common share purchase warrant exercisable into one additional common share for a period of nine months at a price of $0.25 per share. The Company paid finders fees consisting of $4,500 and 307,200 “Finders Units," wherein each Finders Unit is comprised of one common share of the Company and one warrant exercisable for one year at $0.40.

On December 3, 2009, the Company completed a private placement of 7,000,000 units at a price of $0.225 per unit to raise gross proceeds of $1,575,000. Each unit consisted of one common share and one half of one non-transferable common share purchase warrant with each whole warrant exercisable into one additional common share for a period of eighteen months at a price of $0.30 per share. The Company paid finders fees consisting of $14,925.00 cash and 176,700 units, with each such “finders unit” having the same terms and conditions as the private placement units.

During the month of December the Company granted a total of 2,400,000 incentive share purchase options, with each option having an exercise price of $0.25 per share and a term of 5 years. Also during the month of December, 2009, 1,350,000 options were surrendered to the Company for cancellation.

The Company is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. In order to fund further exploration work, the Company is dependent upon raising financing through the issuance of its securities.

OUTLOOK

The Company has as its main asset an exploration property. As such the outlook for the Company is strongly tied to exploration drilling success.

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended February 28, 2010, the Company entered into transactions with related parties as follows:

(a) paid or accrued consulting and directors fees totaling $45,250 to a company controlled by Craig Dalziel, President and CEO of the Company, and to Mr. Dalziel directly for Mr. Dalziel’s services as President, CEO and director of the Company;

(b) paid or accrued professional and consulting fees totaling $28,298 to David Rose, Corporate Secretary of the Company, for legal and management consulting services provided to the Company;

(c) paid professional and directors fees totaling $30,375 to Casey Forward, Chief Financial Officer of the Company until December 16, 2009, for his services as Chief Financial Officer and director during that period;

(d) paid or accrued consulting and directors fees totaling $40,030 to a company controlled by Ken Thorsen, Chairman of the Board of Directors, and to Ken Thorsen directly, for Mr. Thorsen's services as a geological consultant and director;

(e) paid or accrued consulting and directors fees totaling $10,442 to a company controlled by Steve Vanry, Chief Financial Officer of the Company since December 16, 2009, and to Steve Vanry directly, for his services as Chief Financial Officer and director; and

(f) paid or accrued directors fees totaling $7,750 to Stephen Leahy.

As at February 28, 2010 accounts payable and accrued liabilities included $136,441 (2009 - $18,375) owing to officers and directors for directors, management, legal and accounting fees. These charges were measured by the exchange amount, which is the amount agreed upon by the related parties. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms. The above transactions were incurred in the normal course of operations and are recorded at the exchange amount, being the amount agreed upon by the transacting parties.

CONTRACTUAL OBLIGATIONS

Pursuant to a lease agreement dated May 25, 2007, as amended September 15, 2008, the Company has a commitment relating to its head office lease which expires in August, 2013. The Company also has an agreement with Northern Rand Resource Corp. ("Northern Rand") for the same term, pursuant to which Northern Rand agrees to pay one half of the rent and general operating costs of the head office. The Company's share of the office rent and general operating costs are currently approximately $4,000 per month.

The Company has no material capital lease agreements and no material long term obligations other than those described above or in the description of mineral properties.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the board of directors. All current transactions are fully disclosed in the audited Financial Statements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Adoption of new accounting standards

Assessing going concern

Effective June 1, 2008, the Company adopted amended CICA Handbook Section 1400 “General Standards on Financial Statement Presentation”, which included the requirement for management to assess and disclose an entity’s ability to continue as a going concern.

Recent Accounting Pronouncements

International financial reporting standards ("IFRS')

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date for the Company will be June 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-Controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in resource properties and the attainment of profitable operations is dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.

b) The only source of future funds for further acquisitions and exploration programs, or if such exploration programs are successful, the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another interested party carry out further exploration or development. Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

d) The prices of metals greatly affect the value of and the potential value of its properties. This, in turn greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.

e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.

f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.

g) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in accordance with GAAP requires management to make certain judgments and estimates. Changes to these judgments and estimates could have a material effect on the Company's financial statements and financial position.

The carrying values of the resource properties incurred in an exploration stage are subject to an impairment evaluation. All of the expenditures incurred to date have been capitalized. It is management's opinion that the estimated cash flows expected to result from the future use of the property and its eventual disposition will exceed its carrying amount.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does

not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are classified into one of five categories: held-for-trading financial instruments, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value, except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial instruments are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial assets are measured at fair value and changes in fair value are recognized in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading; receivables are classified as loans and receivables; and accounts payable and accrued liabilities are classified as other liabilities.

The Company provides disclosure that enables users to evaluate (a) the significance of financial instruments for the entity's financial position and performances; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

The Company also discloses financial instruments and non-financial derivatives classified from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

Credit Risk

The Company is exposed to credit risk with respect to its cash and cash equivalents. However, the risk is minimized as they are held at a major Canadian Chartered Bank.

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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and foreign functional currencies. The Company does not invest in derivatives to mitigate these risks.

As at February 28, 2010, the Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

SUBSEQUENT EVENTS

There were no subsequent events material to the Company to report.

OTHER MD&A DISCLOSURE REQUIREMENTS

Disclosure by Venture Issuer without significant revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the Financial Statements to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company's mineral properties is disclosed in the annual Financial Statements to which this MD&A relates.

Share Capital

As at February 28, 2010, the Company had 42,177,421 common shares outstanding. In addition, there were 250,000 incentive stock options with an exercise price of $0.55; 2,650,000 incentive stock options at an exercise price of $0.25 per share; 75,000 incentive stock options at exercise prices of $0.15 per share; 6,400,000 share purchase warrants with an exercise price of $0.25, 307,200 share purchase warrants with an exercise price of $0.40 and 3,588,350 share purchase warrants with an exercise price of $0.30. Further particulars on stock options and share purchase warrants are available in the Financial Statements for the period ended February 28, 2010.

Information Available on SEDAR

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

On behalf of the Board of Directors,
April 28, 2010

"*Craig Dalziel*"
President