This management's discussion and analysis of American Manganese Inc. (the "Company") contains analysis of the Company's operational and financial results for the three and six-month period ended January 31, 2010. The following should be read with the company's unaudited consolidated financial statements for the three and six-month period ended January 31, 2010 and 2009 and related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the report constitute forward-looking statements. Forward-looking statements are generally identified by terms such as "anticipate", "believe", "estimate", "expect", "plan", "future", "intend", "may", "will", "should", "predicts", "potential", "continue", and similar expressions. Forward-looking statements reflect current views of the Company and its management with respect to future events and are subject to risks, uncertainties and assumptions, both known and unknown. Many factors could cause the actual results, performance or achievements of the Company to be materially different from those referred to in any forward-looking statements. These factors include, but are not limited to, fluctuations in the prices of metals and minerals, changes in general economic conditions, discovery of unanticipated geological conditions in the Company's properties, or changes in the investment preferences and strategies of investors and potential investors in the Company's securities. Should one or more of the risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in any forward-looking statements. Undue reliance should not be placed on any forward-looking statements. The Company does not undertake any obligation to update these forward-looking statements, except as required by applicable securities laws.

DATE OF REPORT

March 26th, 2010.

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Jurisdiction of incorporation and corporate name

The Company was incorporated under the *Company Act* (British Columbia) on July 8, 1987 as Navarre Resources Corporation. The Company changed its name to Ameridex Minerals Corp. on June 4, 1998, and to Rocher Deboule Minerals Corporation on September 13, 2006. In January, 2010 the Company changed its name to American Manganese Inc.

The Company is a reporting issuer in the provinces of British Columbia and Alberta. On January 25, 2008, the Company's application for listing on Tier 2 (from NEX) was accepted by the TSX Venture Exchange. The trading symbol for the company on the TSX Venture Exchange is "AMY".

The Company has one wholly owned subsidiary, Rocher Manganese Inc., incorporated in the State of Nevada. Rocher Manganese Inc. manages the exploration work on the Company's Artillery Peak property.

The Company's head office is located at 2A-15782 Marine Drive, White Rock, British Columbia V4B 1E6.

Mineral exploration projects

- *Black Prince, Junction Creek, and Olson properties, British Columbia*. These properties are manganese exploration properties located in the Alberni and Clinton Mining Divisions of British Columbia. The Company acquired these properties in July 2007, but has not yet conducted any exploration work on the properties.

- *Artillery Peak property group, Arizona.* The Artillery Peak property group consists of four properties.

  Artillery Peak property - a manganese exploration property, located in Mohave County, Arizona. The Company acquired the Artillery Peak property during the fiscal year ended July 31, 2007, and conducted preliminary sampling. In February 2008, the Company completed a diamond drilling program consisting of 17 holes for a total footage of 9,930 feet.

  Lake property – the Company has entered into lease agreement of 58 patented mining claims.

  AMC Maggie Canyon property – the Company has entered into a mineral lease agreement 42 patented mineral claims.

  Huffman property – the Company has entered into two mineral lease agreements, each with a 10 year term and with an option to purchase, covering 32 patented claims.

  The Company has received a Preliminary Economic Assessment (**www.sedar.com**) dated August 24th, 2009. The report indicates the properties covered can be exploited economically. The study was confined to the Artillery Peak property and the Lake property.

- *Lonnie Brent property, British Columbia.* The Lonnie Brent property is a niobium exploration property, located in Omineca Mining Division of British Columbia. The Company acquired the Lonnie Brent property in September 2007. The Company completed a 5 BQTW drill program on the new carbonatite named the Lonnie North in November 2009. Assays of the drilling, focusing on Niobium, Titanium, Zirconium, Lanthanum, Neodymium and related rare earth elements returned no significant values on Lonnie North.

- *Tam property, British Columbia*. The Tam property is a fluorite exploration property, located in the Liard Mining Division of British Columbia. The Company acquired the Tam property in August 2007. In August 2008, after evaluating its exploration priorities, the Company terminated the property option. During the three- month period ending January 31, 2009 the Company wrote off the $182,500 capitalized acquisition costs.

- *Canal Flats property, British Columbia*. These properties are magnesium exploration properties located near Canal Flats of British Columbia. The Company acquired these properties in July 2008, but has not yet conducted any exploration work on the properties.

- *Rocher Deboule property, British Columbia*. The Rocher Deboule property is an iron oxide, copper and gold exploration property located in the Omineca Mining Division of British Columbia, near Hazelton. The Company acquired its initial interest in the Rocher Deboule property in 2001. During the fiscal year ended July 31, 2007, the Company acquired additional claims near the Rocher Deboule property, and conducted some preliminary exploration work on the property. In September 2007, the Company completed a drill program consisting of 6 drill holes in the area of the Highland Boy showing.

The Company has obtained reports on the Rocher Deboule property and the Artillery Peak Property Group pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Properties* ("NI 43-101"). Those reports are available on the website of the SEDAR filing service at www.sedar.com. The Company has not yet obtained NI 43-101 reports on any of the other properties listed above.

Metallurgical testing project

The Company has retained a metallurgical testing lab to undertake testing work relating to the Company's four manganese properties (Black Prince, Junction Creek, Olson and Artillery Peak Property Group). In connection therewith, the Company has entered into a Contribution Agreement with the National Research Council of Canada Industrial Research Assistance Program ("NRC-IRAP") to develop technology for extraction and recovery of manganese from low grade sources. Under the agreement, NRC-IRAP will contribute up to 75% of qualified costs. It will also provide the Company with a range of both technical and business-oriented advisory services.

The Company has commissioned British Columbia-based Kemetco Research Inc. ("Kemetco") to develop a hydrometallurgical process which will yield high purity manganese metal and/or manganese dioxide. Kemetco is a privately owned company with a successful track record in the business of developing new technologies which involve hydrometallurgy and electrochemistry.

SELECTED ANNUAL INFORMATION

The following table shows total revenues, loss, assets, liabilities, and shareholders' deficiency for each of the five most recent fiscal years of the Company.

	2009	2008	2007	2006	2005
(a) Total Revenues	$ 2,644	$ 38,112	$ 4,643	$ -	$ -
(b) Loss:					
i) In Total	$ 1,689,811	$ 2,006,178	$ 263,051	$ 99,744	$ 126,701
ii) On a per share basis[1]	$ 0.04	$ 0.07	$ 0.01	$ 0.03	$ 0.03
(c) Total Assets	$ 3,744,793	$ 3,263,437	$ 1,589,682	$ 357,738	$ 26,337
(d) Total Liabilities	$ 428,409	$ 449,669	$ 373,116	$ 1,029,110	$ 950,165
(e) Total shareholders' deficiency	$(9,022,973)	$(7,333,162)	$ (5,326,984)	$ (5,063,933)	$ (4,964,189)

[1] *Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive*

SELECTED QUARTERLY INFORMATION

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended:	**31-Jan**	**31-Oct**	**31-Jul**	**30-Apr**	**31-Jan**	**31-Oct**	**31-Jul**	**30-Apr**
Year:	**2010**	**2009**	**2009**	**2009**	**2009**	**2008**	**2008**	**2008**
Total Revenues	$ (nil)	$ 214	$ (nil)	$131	$83	$2,431	$6,585	$1,843
Loss in Total	$395,499	$444,153	$744,836	$209,072	$470,746	$265,157	$381,458	$515,791
Per share basis[1]	$0.01	$0.01	$0.04	$0.01	$0.01	$0.01	$0.01	$0.01

[1] ***Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive***

RESULTS OF OPERATIONS

Analysis of income statement items

Net loss for the three- month period ended January 31, 2010 was $395,499, compared to $470,746 for the prior year three-month period. The Company does not generate revenue from operations, and has no revenues other than interest earned on the Company's balances of cash and cash equivalents. Accordingly, changes in the Company's net loss result principally from changes in the Company's operating and non-cash expenses.

During the three-month period ended January 31, 2009, the the Company wrote off acquisition costs of $282,228 for the Tam property. This accounted for over 50% of the Company's net loss for the three-month period ended January 31, 2009. There was no corresponding expense for the three-month period ended January 31, 2010.

Apart from the write-down on the Tam property, The Company's expenses increased from $188,601 for the three-month period ended January 31, 2009 to $395,499 for the three-month period ended January 31, 2010. The principal reasons for the increase were as follows:

- Consulting fees in the amount of $18,756 were incurred to seek project related consultation.
- Advertising and promotion expenses in the amount of $103,133 were incurred to disseminate company information, participation in tradeshows and web based services.
- A stock compensation expense of $63,691 was recorded under the fair value based method, for options vested to directors, officers, employees and consultants.
- A metallurgical testing expense of $39,699 was incurred to undertake testing work relating to the four manganese properties (Black Prince, Junction Creek, Olson and Artillery Peak Property Group).

Analysis of balance sheet items

- Cash and cash equivalents decreased from $306,891 as at July 31, 2009 to $74,379 as at January 31, 2010, principally as a result of the Company's ongoing operating expenditures.
- Amounts receivable decreased from $205,345 as at July 31, 2009 to $7,761 as at January 31, 2010, principally as a result of a British Columbia Mineral Tax Credit refund received by the Company.
- Mineral property interests increased from $3,098,187 as at July 31, 2009 to $3,331,489 as at January 31, 2010. Additional information on this item is given below under "*Analysis of mineral property costs*".
- An amount due to related parties of $143,583 was recorded for shared expenses between related Companies.
- The Company recorded share capital increase from $10,987,075 as at July 31, 2009 (51,137,225 shares) to $11,030,464 (51,417,225 shares) as at January 31, 2010. During the three and six-month period ended January 31, 2010 255,000 share purchase warrants and 25,000 stock options were exercised.

Additional information on the private placement is contained under "*Liquidity and Capital Resources*".

Analysis of mineral property costs

The following table shows a breakdown of the Company's capitalized exploration and development costs for the six-month period ended January 31, 2010 and the fiscal year ended July 31, 2009.

	For the period ended January 31, 2010	For the period ended July 31, 2009
Rocher Deboule		
Acquisition and Staking	$ 10,198	$ 4,433
Assays and Analysis	13,457	(3,575)
Camp and Supplies	-	1,610
Drilling	-	-
Geological and Geophysical	6,007	7,523
Geological Travel and Accommodation	656	7,353
Freight and Transport	3,686	3,323
BCMETC recoverable	-	(226,963)
Sub-total	**$ 34,004**	**$ (206,296)**
Artillery Peak		
Acquisition and Staking	$ 59,604	$ 353,285
Assays and Analysis	-	49,895
Drilling	-	-
Geological and Geophysical	41,145	159,693
Geological Travel and Accommodation	7,285	26,451
Property Maintenance	4,659	38,876
Sub-total	**$ 112,693**	**$ 628,200**
Black Prince, Junction Creek, Olson		
Acquisition and Staking	$ -	$ 2,720
Assays and Analysis	-	-
Geological and Geophysical	-	-
Sub-total	**$ -**	**$ 2,720**
Tam Property		
Acquisition and Staking	$ -	$ (182,500)
Sub-total	**$ -**	**$ (182,500)**
Lonnie Brent Property		
Acquisition and Staking	$ -	$ 3,728
Drilling	60,075	
Geological and geophysical	26,530	
Sub-total	**$ 86,605**	**$ 3,728**
Canal Flats		
Acquisition and Staking	$ -	$ 7,500
Sub-total	**$ -**	**$ 7,500**
Boundary Macklin Coal Fields		
Acquisition and Staking	$ -	$ (174,178)
Sub-total	**$ -**	**$ (174,178)**
Total	**$ 233,302**	**$ 79,174**

Status of exploration projects

Rocher Deboule property, British Columbia

The Company acquired its initial properties in the area in 2001. The claims acquired by the Company in 2001 consisted of 1,325 hectares. Subsequently, the Company has staked additional claims. The property now consists of mineral claims covering 10,230 hectares. The Company owns a 100% interest in the Rocher Deboule property.

The Company has obtained a NI 43-101 report on the Rocher Deboule property prepared by A.A. Burgoyne, P. Eng., M.Sc., dated December 18, 2007. A copy of the report is also available on the SEDAR filing service at www. sedar.com.

In September 2007, the Company completed a drill program consisting of 6 drill holes in the area of the Highland Boy showing. Results of the drill program are included in the Burgoyne report. The Company has applied to the Ministry of Energy and Mines for permits to conduct a further drill program 15 drill holes at 11 drill sites for a total of 3,100 meters.

Artillery Peak Property Group, Arizona (consists of Artillery Peak, Lake, Maggie Canyon and Huffman properties)

Artillery Peak property - In June, 2007 the Company purchased the Artillery Peak property, which consists of 90 unpatented lode mining claims in the Mohave County, Arizona. The purchase price for the Artillery Peak properties was 1,000,000 shares in the Company and USD$96,000 cash. The property is subject to a 2% net smelter return royalty in favour of the Vendors. The Company has the right to buy back 1% of the net smelter return royalty for USD$2,000,000. Apart from the net smelter return royalty, the Company owns a 100% interest in the Artillery Peak property.

The Company has also acquired, by staking, 247 lode claims for a total of 4,900 acres (1,983 Hectares). Manganese bearing sedimentary beds is known to exist over much of this area. Geological mapping by the USGS and the US Bureau of Mines during the latter part of WWII and the early part of the cold war, when manganese was considered a strategic metal, has outlined numerous areas of interest. Rocher has staked most of these areas. The Company's drilling has tested two of these areas and has found Manganese in both.

The Company has previously completed 17 HQ diamond drill holes for 9,930 feet (3.027 meters) on the Artillery Peak property. In March, 2010 the Company commenced an extensive drilling program to improve the measurement of the mineral resource at Artillery Peak

Lake property – The Company has entered into an agreement to lease the patented mining claims adjoining the Company's Artillery Peak properties. Under the Lease Agreement, as consideration for leasing the claims for a 10-year renewable term, the Company shall pay the lessors the following amounts:

(i) $60,000 US upon execution of the Lease Agreement (paid)
(ii) $80,000 US upon 1st anniversary of the Lease Agreement (paid)
(iii) $100,000 US upon 2nd anniversary of the Lease Agreement
(iv) $120,000 US upon 3rd anniversary of the Lease Agreement
(v) $140,000 US upon 4th anniversary of the Lease Agreement
(vi) $160,000 US upon 5th anniversary of the Lease Agreement
(vii) $180,000 US upon 6th anniversary of the Lease Agreement
(viii) $200,000 US upon 7th and each subsequent anniversary of the Lease Agreement

In addition, the Company is to pay a royalty to the lessors of US$0.04/lb for manganese, and 1.5% of net returns for all other minerals, produced from both the lessors' claims and the Company's existing claims. The lease payments described above constitute an advance on any royalties due to the lessors.

The Lake property was mined by open pit in 1953 and 1954. 33,126 tons of Mn mineralization grading 18.8% was shipped to the Government Depot at Wenda, Arizona.

***Maggie Canyon* –** The Company has entered into a mineral lease agreement on September 29, 2008 with Arizona Manganese Corporation of Scottsdale Arizona to lease 41 patented mineral claims for an initial term of 20 years (renewable). Lease payments are the greater of a 2.25% NSR and the following yearly amounts:

(i) $50,000 US in year one (paid);
(ii) $55,000 US in each of years 2 through year 4;
(iii) $65,000 US in each of years 5 through year 11;
(iv) $70,000 US in year 11 and each year onwards.

***Huffman property* –** The Company has entered into a mineral lease agreement with option to purchase dated June 15, 2008 with David Huffman to lease 7 patented claims for a term of 10 years. Lease payments are $10,000 (paid) on execution of the lease and $10,000 yearly for the term of the lease. In addition, the Company has an option to purchase the property during the term of the lease or up to commencement of commercial production for the purchase price of $1,000,000.

Additionally, the Company has entered into a mineral lease agreement with option to purchase dated July 15, 2008 with David Huffman to lease 23 patented and unpatented mineral claims for a term of 10 years. Lease payments are $20,000 (paid) on execution of the lease and $20,000 yearly for the term of the lease. In addition, the Company has an option to purchase the property during the term of the lease or up to commencement of commercial production for the purchase price of $2,250,000. The Priceless and Price patents were open pit mined from 1953 – 1955. Production consisted of 51,000 tons of concentrate grading 29% manganese.

The Company has obtained a report on the Artillery Peak Property Group pursuant to NI 43-101. The report is available on the website of the SEDAR filing service at www.sedar.com. The report, adhering to the NI 43-101 standards, quotes 10,865,929 tonnes of Indicated Resource at a grade 4.46% Mn backed up by an inferred resource of 96,933,724 tonnes of 4.52% Mn. There are several deposits on the property with historical production that remain untested in modern times and do not contribute to these resource estimates.

The NI 43-101 Resource Study Estimate at a 0.91% Mn Cut-off is summarized as follows. (The names of the various units in the following chart are their traditional names rather than the designation given as assembled).

INDICATED RESOURCE @ A 0.91% Mn CUT-OFF				
DEPOSIT	**RESOURCE CLASSIFICATION**	**GRADE %Mn**	**TONNAGE M. TONNES**	**CONTAINED POUNDS MANGANESE**
Macgregor	Indicated	4.46	10,865,929	1,068,307,976
Totals	**Indicated**	**4.46**	**10,865,929**	**1,068,307,976**

INFERRED RESOURCE WITH A 0.91% Mn CUT-OFF				
DEPOSIT	**RESOURCE CLASSIFICATIO N**	**GRADE %Mn**	**TONNAGE M. TONNES**	**CONTAINED POUNDS MANGANESE**
Maggie North	Inferred	5.87	12,708,022	1,644,628,983
Maggie South	Inferred	4.22	34,716,448	3,232,306,994
Manganese Mesa South	Inferred	3.61	2,594,676	206,631,184
Manganese Mesa North	Inferred	3.60	172,143	13,670,905
Lake	Inferred	4.70	10,382,440	1,077,234,095
North Chapin ADH#1	Inferred	8.28	638,060	116,546,042
Loves Mine	Inferred	23.30	324,837	16,965,531
Hurley	Inferred	3.17	2,763,608	193,095,396
Planche	Inferred	4.00	4,786,983	42,403,406
South Chapin	Inferred	4.06	20,107,131	1,801,447,845
Priceless	Inferred	4.00	5,399,422	476,445,015
Burro Wash	Inferred	6.00	2,339,954	309,716,325
Totals	**Inferred**	**4.52**	**96,933,724**	**9,661,091,721**

RESOURCE CALCULATION

POUNDS PER 1%/TONNE	22.06
DENSITY	15 CUBIC FEET PER TON
DENSITY	2.13 TONNES PER CUBIC METER

The 2009 Mineral Resource Estimate is reported in accordance with Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") and has been estimated in conformity with the Canadian Institute of Mining, Metallurgical and Petroleum (CIM) Mineral Resource and Mineral Reserve definitions referred to in NI 43-101, Standards of Disclosure for Mineral Projects. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. The 2009 Mineral Resource Estimate was prepared by Norman Tribe, P.Eng, of N. Tribe & Associates Ltd., an independent qualified person as this term is defined in NI 43-101. The 2009 Mineral Resource Estimate used a polygon method where the area of influence is half way to the nearest hole and the thickness of section is taken from the drill hole. No dilution is added to the resource at Maggie Canyon. The fixed width sampling technique used on the MacGregor drill samples introduced a dilution of about 5%. The syngenitic manganese bearing beds are near horizontal and the drilling is vertical, giving a true thickness in the hole. For the Maggie Deposits the drilling results are taken from published U.S. Bureau of Mines "*Report of Investigation 5375*". For the MacGregor Deposits, Company drilling in 2008 has provided drill data. Assaying was completed at ALS Chemex in Sparks Nevada and North Vancouver, using their ME-ICP61, ME-ICP06 AND ME-OG62 assay methods and checks were run at American Assay Laboratories in Sparks Nevada. The new NI 43-101 technical report has been filed with regulators on SEDAR.

The Artillery Mountain Manganese deposits are strata bound sedimentary deposits in paleo-alluvial fans on the flanks of the Artillery Mountain Range and the Rawhide Mountain Range coming together in the center of the basin. The preliminary mineralogical work has indicated that the mineralization consists mainly of wad, and amorphous mixture of manganese, barium, strontium, silica and carbonate. The mineralization is exposed in the McGregor Mine open pit working face, in both walls of the Maggie Canyon and the adits in the south canyon wall, in numerous adits and declines on the Lake Patents, in the decline of the Love Mine, in the adits on the Planche Mesa, the west wall of the Chapin Wash below Loves' Mine, on the West side Burro Wash and in numerous outcrops throughout the property as well as in drill hole ADH#25. Although manganese is ubiquitous through the basin the mineralization is concentrated in strata with syngenitic manganese originating from vents or hot springs immediately up slope from the manganese beds. The best of these manganese deposits are thought to be 800 meters long and 35 meters thick, be lens like in nature and extend down slope (paleo-slope) a distance of 1000 meters. In some cases the lenses are truncated by faulting which has shifted parts of the lens up, down or laterally. Well developed horst and graben structures are developed throughout the basin.

The initial drilling program by the Company consisted of 17 diamond drill holes, 9 on the upper Chapin Wash in the vicinity of the MacGregor Mine, and 8 in the lower Chapin Wash around and south of Love's Mine. Eight of the nine holes in the Upper Chapin Wash portion of the property intersected mineralization of interest. The six holes in the Love's Camp area did not intersect significant mineralization and two in the southernmost part of the claims returned values as good as those in the MacGregor Mine area.

In a period in the 1940's and 1950's, M.A. Hanna Co. and the U.S. Bureau of Mines concentrating on the Maggie Canyon deposits drilled 58 diamond drill holes and drove 3 adits into the south wall of the Maggie Canyon and drilled a further 58 short diamond drill holes from underground and carried out bulk sampling and shipping to the strategic metals stock pile in Wenden, Az.

A resource was calculated using the recently collected drill hole data as well as the historical data which was gleaned from the U.S. Bureau of Mines publications. Further resource was added from sampling reported in the government publications, in the Lake Mine, the Love Mine, the Hurley Mine and other small operations along the Chapin and Maggie Washes.

The mineralization consists mainly of wad, and amorphous mixture of manganese, barium, strontium, silica and carbonate. The mineralization is exposed in the McGregor Mine open pit working face, in both walls of the Maggie Canyon and the adits in the south canyon wall, in numerous adits and declines on the Lake Patents, in the decline of the Love Mine, in the adits on the Planche Mesa, the west wall of the Chapin Wash below Loves' Mine, on the West side Burro Wash and in numerous outcrops throughout the property as well as in drill hole ADH#25. Although manganese is ubiquitous through the basin the mineralization is concentrated in strata with syngenitic manganese originating from vents or hot springs immediately up slope from the manganese beds. The best of these manganese deposits are thought to be 800 meters long and 35 meters thick, be lens like in nature and extend down slope (paleo-slope) a distance of 1000 meters. In some cases the lenses are truncated by faulting which has shifted parts of the lens up, down or laterally. Well developed horst and graben structures are developed throughout the basin.

The Company has received a Preliminary Economic Assessment (www.sedar.com) dated August 24th, 2009. The report indicates the properties covered can be exploited economically. The study was confined to the Artillery Peak property and the Lake property.

The Company controls the manganese district of 12 square miles. The Company plans to validate recovery process of the manganese metal.

In March 2010, the Company commenced a drilling program which is scheduled to included 191 drill holes on the Artillery Peak Property Group. The objectives of the drilling program include adding new resources to the existing mineral inventory and increasing the quality and confidence of the mineralization and tonnage estimates, so that the mineral resources can be up-graded from the Inferred category to the Indicated or Measured categories.

Black Prince, Junction Creek, and Olson properties, British Columbia.

These properties are manganese exploration properties. These properties cover approximately 704 hectares located in the Alberni and Clinton Mining Divisions of British Columbia. These claims were staked by the Company. The Company owns a 100% interest in each of these properties. The Company does not yet have a NI 43-101report on the properties, and has not yet conducted any exploration work on the properties.

Lonnie Brent property, British Columbia.

The Lonnie Brent property is a niobium exploration property. The property covers approximately 3,477 hectares in the Omineca Mining Division of British Columbia. The Company initially staked mineral claims covering an area of approximately 692 hectares. In October 2007, the Company acquired additional claims covering approximately 2,735 hectares at a cost of $10,000 and 100,000 shares of the Company. The Company owns a 100% interest in the Lonnie Brent property. The Company does not yet have a NI 43-101 report on the property, and has not yet conducted any exploration work on the property. The Company completed a 5 BQTW drill program on the new carbonatite named the Lonnie North in November 2009. Assays of the drilling, focusing on Niobium, Titanium, Zirconium, Lanthanum, Neodymium and related rare earth elements returned no significant values on Lonnie North.

Canal Flats property, British Columbia.

The property is a magnesium exploration property. The property covers approximately 913 hectares located in the Golden Mining Divisions of British Columbia. The two claims were acquired during the fiscal year ended July 31, 2008 by the Company for a cash consideration of $10,000 and by issuing 50,000 common shares of the Company. The Company owns a 100% interest in the Pond Magnesium claims. The Company does not yet have a NI 43-101report on the properties, and has not yet conducted any exploration work on the properties.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2010 the Company had a cash balance of $74,379 and a working capital deficiency of $242,241, compared to a working capital of $196,348 as at July 31, 2009.

In February, 2010 the Company closed its non-brokered private placement raising gross proceeds of $1,193,919 comprised of 5,969,595 units at a price of $0.20 per unit. Each unit comprised of one common share in the capital of the Company plus one-half of two year share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.30. The amount of $94,800 was recorded as prepaid share subscription as at January 31, 2010.

During the six-month period ended January 31, 2010 255,000 of the warrants in the amount of $38,250 were exercised. In October, 2010 25,000 Stock options in the amount of $5,139.88 were exercised.

Excluding exploration costs, the Company's current general and administrative cash expenditures are approximately $72,000 per month. In addition, the Company has commenced a 191 hole drill program on the Artillery Peak Property Group. The Company estimates that its existing cash resources will be utilized by the drilling program, and by its ongoing general and administrative expenses, over the next three months. The Company is investigating sources of further funding, and anticipates raising additional funds prior to the end of its current fiscal year. If the Company is unable to raise funding, it is likely that the Company will have to curtail its exploration program on the Artillery Peak property group.

The Company does not generate revenue from operations, and has been dependent upon its ability to raise equity capital through the issuance of shares to pay ongoing operating expenses and the costs associated with its exploration and development activities.

OUTSTANDING SHARE DATA

As at January 31, 2010, the Company had 51,417,225 common shares issued and outstanding. As at the date of this report, the Company has 57,572,820 common shares issued and outstanding, which includes the shares issued in the private placements described above.

As at January 31, 2010, the Company also had outstanding share purchase warrants to purchase 18,889,220 common shares of the Company. Each share purchase warrant entitled the holder to acquire one additional common share at an average price of $0.35 per share During the six-month period ended January 31, 2010 255,000 of the warrants have been exercised.

In March, 2010 3,562,200 share purchase warrants price at $0.45 and 356, 220 broker warrants priced at $0.90 expired without exercise.

In March, 2010 the Company granted incentive stock option to purchase an aggregate of 810,000 shares in the capital stock of the Company. These options were granted for a period of five years commencing March 8th, 2010 at $0.21 per share.

During the fiscal year July 31, 2009, the Company has granted options to purchase 4,050,000 shares to directors, officers, employees, and consultants of the Company. The options have a five year term, and an exercise price of $0.12. During the three-month period ended October 31, 2009 under fair value based method, $172,488 in compensation expense was recorded for options vested. to directors, officers, employees and consultants. The fair value of the stock options granted was estimated on the date of the grant using the Black-Scholes option pricing model using the assumptions shown in the following table.

Stock options granted

	For the fiscal year ended July 31, 2009	For the fiscal year ended July 31, 2008
Dividend yield	0%	0%
Expected volatility	162.94%	173.35%
Risk-free interest rate	2.76%	4.08%
Expected lives	5 years	3 years

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have material off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three and six-month period ended January 31, 2010, the Company entered into the following related party transactions.

Office and personnel sharing arrangements

The Company shares its office premises with Goldrea Resources Corp., and Molycor Gold Corp. In addition, certain personnel are shared by the companies. The personnel in question include the following:

- Mr. Larry Reaugh is a director and officer of each of the companies;
- Mr. Edward Lee is a director and officer of each of the companies;
- Ms. Teresa Piorun is an officer of each of the companies.

Expenses relating to the common office facilities are shared among the companies and allocated according to the relative amount of space used by each of the companies. The salary and related costs of common personnel are allocated according to the time expended by the personnel in question.

CRITICAL ACCOUNTING ESTIMATES

The most significant accounting estimates for the Company relates to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.
Management's estimates of mineral prices, recoverable proven and probable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.
Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

CHANGES IN ACCOUNTING POLICIES

Effective August 1, 2008, the Company adopted the following new CICA Handbook Standards: Handbook Section 1535, "Capital Disclosures", Handbook Section 3862, "Financial Instruments – Disclosures", and Handbook Section 3863, "Financial Instruments – Presentation".

Financial Instrument – Disclosure and Presentation

The new Sections 3862 and 3863 replace Handbook Section 3861, "Financial Instruments – Disclosure and Presentation", revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Future accounting changes

(i) Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064 "Goodwill and Intangible Assets" replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section is effective for years beginning on or after October 1, 2008. The Company has assessed that there is no impact as a result of this new section on its financial statements.

(ii) 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 of August 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 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.

Financial Instruments

The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash and cash equivalents have been placed with major financial institutions.

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

As a company active in the mineral resource exploration and development industry, Rocher Deboule is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. Most exploration programs fail to locate a body of commercial ore. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. Few properties which are explored are ever developed into producing mines. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercial ore body. The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate.

In addition, even if the Company is successful in locating a commercial ore body, there is no assurance that the Company will be able to bring such an ore body into commercial production. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the government permits required to exploit a commercial ore body. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

If the Company is able to bring an ore body into commercial production, operating mines also face substantial operating risks, which include, but are not limited to, unusual or unexpected geological conditions, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and inability to obtain adequate machinery, equipment or labour.

If the Company is unsuccessful in its attempts to locate a commercial ore body and to commence commercial production, , the Company may seek to transfer its property interests or otherwise realize value, or may even be required to abandon its business and fail as a going concern.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquire properties of merit, and the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects. At the present time, the equity markets are severely depressed and arranging financing on acceptable terms is a challenging exercise for most junior exploration companies, including the Company.

Environmental and Government Regulation

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. The Company has implemented safety and environmental measures designed to comply with government regulations, and to ensure safe, reliable and efficient operations in all phases of its operations. In addition, the Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. However, the Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Title to Properties

While the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Foreign Currency

A portion of the Company's expenses are incurred in foreign currencies. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

Disclosure Controls and Procedures

The CEO and CFO have evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded, based on their evaluation that they were effective as of January 31, 2010 to provide reasonable assurance that all material information relating to the Company will be made known to management and disclosed in accordance with applicable securities regulations.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.