GALAHAD METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Month Period Ended September 30, 2011
(Information as at November 25, 2011 unless otherwise noted)

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Galahad Metals Inc. and its subsidiaries ("the Group"), certain statements contained in this MD&A constitute forward-looking information, future oriented financial information, or financial outlooks (collectively "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this document and other matters identified in Galahad's public filings, Galahad's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner, those disclosed in any other of Galahad's public filings, and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes, and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While Galahad considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other Galahad's filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and, other than as required by law, Galahad does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

INTRODUCTION

The following provides management's discussion and analysis of the financial position of Galahad Metals Inc. ("the Company") and the results of operations of the Company for the nine month period ending September 30, 2011. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on November 25, 2011.

This MD&A complements and supplements the interim consolidated financial statements for the period ended September 30, 2011, and should be read in conjunction with the consolidated financial statements. All figures are presented in Canadian dollars (unless otherwise indicated) and are in accordance with Canadian generally accepted accounting principles. These statements together with the following management discussion and analysis dated November 25, 2011, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. Galahad's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise noted. Additional information relating to the Company may be found on SEDAR at www.sedar.com.

NATURE OF OPERATIONS

Corporate summary

Galahad Metals Inc. (the "Company" or "Galahad") was incorporated under the name "Phoenix Matachewan Mines Inc" under the laws of the Province of Ontario by Articles of Incorporation dated September 1, 2000. During 2000, Patrician Diamonds Inc. (formerly Patrician Consolidated Gold Mines Ltd.), a related party, received shareholder approval to transfer all of its property assets and cash of $150,284 to the Company in exchange for 183,755 common shares and 57,219 warrants for common shares of the Company. On December 3, 2008, at a Special meeting of the Company, the shareholders approved a ten-for-one consolidation of the shares of the Company, and the change of the name of the Company from Phoenix Matachewan Mines Inc. to Galahad Metals Inc. On December 30, 2008, the Company obtained the required regulatory approvals for the share consolidation and name change.

On August 24, 2010 Bottle Creek Exploration LLC (the "subsidiary" or "BCE") a 60% owned subsidiary of Galahad was registered in the State of Nevada, under the laws governing limited liability companies in the State of Nevada. The principal place of business of BCE is 1 East Liberty Street, Suite 424, Reno, Nevada 89501. Galahad holds a 60% interest in the subsidiary, with Golden Gryphon USA Inc. holding the remaining 40% interest.

On January 13, 2011 Red Ore Gold Inc. a fully owned subsidiary of the Company was incorporated under the British Columbia Corporations Act. Galahad's Board of Directors has approved the transfer of its interest in Bottle Creek Exploration LLC to Red Ore Gold Inc. Red Ore Gold Inc. will be responsible for funding any future exploration performed on this property. The Galahad and Red Ore board have approved the initial public offering of Red Ore Gold Inc. In consideration, Galahad will receive 8,838,938 common shares of Red Ore (the "Consideration Shares"), at a deemed price of $0.50 per Consideration Share, for aggregate consideration of $4,419,469 representing the amount spent to date by Galahad in exploration and property staking and payment costs at the Property.

The Group are development stage junior mining companies engaged in the identification, acquisition, evaluation and exploration of precious and base metals with mineral properties in Canada and the United States. At the date of these financial statements the Group has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain the necessary financing to complete the development of economically recoverable reserves, the ability of the Group to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Galahad's common shares are listed on the TSX Venture Exchange under the symbol GAX. Neither Red Ore Gold Inc. nor Bottle Creek Exploration LLC is listed on any exchange. Red Ore Gold Inc. has applied for its common shares to be listed on the TSX Venture Exchange under the symbol RXX. The operating office of the Group is located at #2746 St Joseph Blvd Suite 100, Orleans, Ontario, Canada, K1C1G5.

GROUP STRUCTURE

Galahad Metals Inc.
Incorporated under the name "Phoenix Matachewan Mines Inc." under the laws of the Province of Ontario by Articles of Incorporation dated September 1, 2000

83 % ownership of common shares

Red Ore Gold Inc.
Incorporated under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011

60 % ownership of Membership units

Bottle Creek Exploration LLC
Registered in the State of Nevada, under the laws governing limited liability companies in the State of Nevada on August 24, 2010

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Group for our shareholders and our strategy to obtain this result is to continually develop our mineral properties. To proceed with this strategy, the Group had completed private placements in both Galahad and Red Ore Gold to continue to fund exploration projects. Red Ore Gold is currently in the process of completing its initial public offering.

Highlights

Highlights for the Group from third quarter up until the date of the MD&A include:

- Red Ore Gold Inc. has agreed to issue 850,000 common shares to officers of the company with an estimated value of $0.10 per share.
- The Board of Directors of Red Ore Gold Inc. have agreed to amend the value of the Company's common shares from $0.50 to $0.25 and as such has issued a rights offering to its shareholders to acquire an equal number of shares which were purchased in Red Ore at a price of $0.01 per share. The re-pricing of warrants previously issued as part of the May 2011 private placement from $0.75 per share to $0.40 per share.
- Galahad Metals Inc. has filed a claim against the Kellyn Property optionors for unjustly terminating the Company's option agreement.
- On August 31, 2011, the Red Ore Gold Inc. had received executed rights offering from existing shareholders as well as proceeds of $9,350 and issued 935,000 common shares.
- On September 13, 2011 Red Ore Gold received a receipt from the BCSC for the filing of their final prospectus.
- On September 2011, Galahad Metals Inc. grant of 400,000 stock options at a price of $0.14 expiring August 31, 2013 to investor relations of the Company and 400,000 stock options at a price of $0.10 expiring August 31, 2016 to officers of the Company.
- On October 3, 2011, the Board of Directors of the Company agreed unanimously to postpone the IPO for an additional 90 days past the December 13, 2011, required closing date.
- On October 6, 2011, Red Ore Gold Inc. announced plans to issue a private placement of up to 10,000,000 non-brokered units at a price of $0.10 per unit, with each unit comprised of one common share and one common share purchase warrant.
- On October 7, 2011, Galahad Metals Inc. announced that its board of directors has authorized a distribution to its shareholders of 2,200,000 common shares of its subsidiary, Red Ore Gold Inc., by way of a return of capital.
- On October 13, 2011, Red Ore Gold Inc. announced the staking of 86 additional unpatented lode mining claims on its Pogonip Ridge Silver-Gold Property.
- In October 2011, Red Ore Gold Inc. issued 800,000 units to investors at a price of $0.10 per unit for gross proceeds of up to $80,000 as part of the private placement announced on October 6.
- On November 5, 2011, Red Ore Gold Inc. entered into mining lease agreements with Gold Range Company LLC for both the Pogonip and Ryepatch properties.
- On November 16, 2011, Red Ore Gold Inc. incorporated a wholly owned subsidiary Red Ore Gold NV Inc.
- On November 17, 2011, Galahad Metals Inc. signed an agreement to transfer a total of 104 mining claims located in Barraute Township, Province of Quebec, to Abcourt Mines Inc. ("Abcourt") in return for a cash payment of $25,000 and 500,000 class B common shares of Abcourt.

FOCUSED EXPLORATION

Galahad has always had a different approach to gold exploration. Rather than have millions of acres and large budgets, it has instead gone to projects where gold and gold indicator minerals were already present, and then taken only enough claim ground to efficiently explore. In keeping with this method, the Company, in 2011, will focus on its Regcourt plays in Northern Quebec and while Red Ore's focus will be on its Nevada properties.

ON-GOING PROJECTS

Listed below is a summary of the main projects and their status:

Country	Project	Commodity	Status at September 30, 2011	Future Plans	Group Ownership	Company held in
Canada	Regcourt	Gold	Second phase drilling completed	Obtain results of drill program and advance exploration.	100%	Galahad Metals Inc.
Canada	Montrose	Gold	Report preparation for recommended drilling completed	Commence second phase drilling.	100%	Galahad Metals Inc.
Canada	Kellyn	Gold	Geophysical and geochemical testing completed.	Obtain joint venture partner.	100%	Galahad Metals Inc.
United States	Bottle Creek	Gold	Trenching completed, Phase I drilling completed	Second phase drilling planned for spring 2012.	60%	Bottle Creek Exploration LLC
United States	Rye patch	Gold	Signed mining lease agreement	Commence early stages of property exploration.	100%	Red Ore Gold Inc.
United States	Pogonip Ridge	Gold	Signed mining lease agreement	Commence early stages of property exploration.	100%	Red Ore Gold Inc.

Mineral resources and mineral reserves

The Group has no known mineral reserves as defined by and compliant with the requirements of National Instrument 43-101.

Exploration and evaluation expenditures

During the nine months ended September 30, 2011, the Group incurred costs of $962,029 in exploration and evaluation of its various properties. A total of $290,830 of this spending related to the Group's Bottle Creek, Nevada project, while there were costs of $523,575 and $18,130 related to staking and claim costs for the Regcourt and Montrose projects respectively. Costs of $6,100 was related to the Kellyn project and $8,606 to Barville. Red Ore Gold incurred costs of $34,858 and $79,931 on its Ryepatch and Pogonip properties.

Regcourt Project

On September 23, 2009 Galahad completed a term sheet leading to an option to purchase agreement with a local Quebec prospector on 11 claims located in Vauquelin Township.

On November 2, 2009 the Group reported that Galahad is continuing its' investment in Quebec's exploration rush for gold through enlargement of its land holdings around the Regcourt property. The Regcourt Property hosts a small gold deposit discovered on surface by trenching in 1944. The original Regcourt Lease consisted of 69.33ha; in October the Company expanded this project to 76 claims or 2,298.75ha.

On November 24, 2009 the Group reported it has recently acquired a previously proprietary, comprehensive dataset, which includes work that has never been submitted to the Quebec Government as assessment work. These data include historic exploration program results that will facilitate accurate targeting of a proposed diamond-drilling program. A preliminary assessment of these data indicate that the style of deformation and mineralization at the deposit is consistent with other gold deposits in the Val-d'Or gold mining camp, one of the most prolific mining areas in Canada.

The Regcourt Property hosts a small gold deposit discovered on surface by trenching in 1944. Subsequent historic drilling and underground development indicated a resource tonnage of 61,000 tones grading 5.49 g/t gold (1983) to a shallow depth of 544 feet. As most gold deposits in the Abitibi extend to great depths it is reasonable to assume that the Regcourt deposit hosts significant exploration potential.

On February 23, 2010 the Group reported that it has acquired an additional 20 claims at the Regcourt property. The original Regcourt Lease consisted of 69.33ha; in October the Group expanded this project to 76 claims or 2,298.75ha. Following the latest acquisition, Galahad now holds a total of 96 claims or 2,763.22 ha at the Regcourt property.

On April 6, 2010 the Group reported that has received an independent report that recommends surface diamond drilling on the Property located near Val-d'Or, Quebec, one on the most prolific gold mining areas in Canada. According to a 1983 Evaluation Report, the Regcourt deposit, located in the centre of the Property, contains an historic resource, of 61,000 tones Au @ 5.49gpt (10,766 oz Au)*, calculated to a depth of 500 feet.

On December 2, 2010 the Group announced that the drilling campaign included nine (9) holes between 200 m and 350 m long, totaling 2,342 meters had been completed.

On January 18, 2011 the Group reported that it had received final assay results from its recent drilling campaign at Galahad's Regcourt gold Property, 30 km east of Val d'Or, QC. The drilling successfully intersected numerous sulphide-bearing, gold-mineralized quartz veins from 13 m to 325 m below surface, corroborating that the mineralized-vein system continues below the historic Regcourt Gold Mine workings.

Selected highlights of the analytical results are listed in Table 1, and include:
- 79.37 g Au/t over 3.6 m (Hole RG10-02, from 142.0-145.6m)
- 131.00 g Au/t over 0.9 m (Hole RG10-03, from 288.0-288.9 m);
- 4.05 g Au/t over 4.0 m (Hole RG10-04, from 168.0-172.0 m); and
- 16.71 g Au/t over 1.5 m (Hole RG10-08, from 106.8-108.3 m).

The 4.05 g/t Gold over 4 m in hole RG10-04 and 2.15 g/t Gold over 3.9 m in RG10-05, indicate that significant grades are present over minable widths at Regcourt, while the 326 m deep intersection of 10.75 g/t Gold over 0.3 m from hole RG 10-05 shows that the mineralization continues to the deepest extent drilled to date.

The 9 hole, Phase I drill program produced notable gold bearing intersections in 6 of 9 holes. The diamond-drilling program was designed to target the projected downward extensions of veins and other planar mineralized structures, especially along their interpreted, linear intersection zones. A total of 513 core samples were collected from the recently completed drilling campaign, which comprised nine (9) holes, between 200 m and 350 m long, for a total of 2,342 metres.

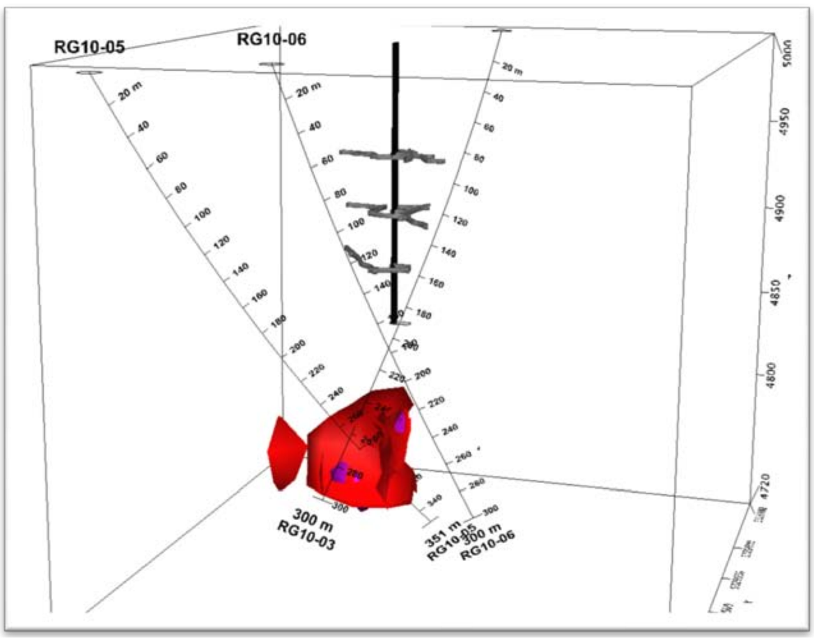
Hole	From	To	Interval	Au-1[1] (Au-gpt)	Au-2[2] (Au-gpt)	Au-MS[3] (Au-gpt)	Au Final[4] (Au-gpt)	Intersection (Au-gpt/m)
RG10-02	142.0	143.0	1.0	5.17	5.33		5.25	**79.37 / 3.6**
	143.0	143.5	0.5	52.30		456.00	456.00	
	143.5	144.6	1.1	57.20		47.20	47.20	
	144.6	145.6	1.0	0.50	0.62		0.56	
	210.0	210.5	0.5	2.88	3.38		3.13	**3.13 / 0.5**
	216.0	217.0	1.0	3.42	3.56		3.49	**3.49 / 1.0**
	163.5	164.0	0.5	2.58	2.74		2.66	**1.59 / 1.5**
	164.0	165.0	1.0	0.64	0.40		0.52	
RG10-03	225.0	226.0	1.0	9.21	0.19		4.70	**4.31 / 2.2**
	226.0	227.2	1.2	0.22			0.22	
	288.0	288.9	0.9	82.80		131.00	131.00	**131.00 / 0.9**
	295.8	297.0	1.2	2.39	2.00		2.20	**2.20 / 1.2**
	237.4	238.4	1.0	0.57	6.01		3.29	**3.29 / 1.0**
RG10-04	168.00	169.0	1.0	1.92	2.65		2.29	**4.05 / 4.0**
	169.00	170.0	1.0	1.03	0.85		0.94	
	170.00	171.0	1.0	11.70	12.30		12.00	
	171.00	172.0	1.0	1.17	0.79		0.98	
RG10-05	13.6	14.2	0.6	1.51			1.51	**2.15 / 3.9**
	14.2	14.9	0.7	0.15	0.16		0.16	
	14.9	15.8	0.9	0.69	0.42		0.56	
	15.8	16.3	0.5	0.08	0.09		0.09	
	16.3	17.5	1.2	6.08			6.08	
	326.5	326.8	0.3	10.75			10.75	**10.75 / 0.3**
RG10-06	285.9	286.2	0.3	17.75	8.33		13.04	**13.04 / 0.3**
	288.8	289.5	0.7	14.45			14.45	**6.28 / 1.7**
	289.5	290.5	1.0	0.56			0.56	
RG10-08	106.8	107.8	1.0	0.11			0.11	**15.14 / 1.5**
	107.8	108.3	0.5	49.90		45.20	45.20	

	181.3	182.2	0.9	1.38			1.38	**1.38 / 0.9**
	196.0	197.0	1.0	4.16			4.16	**4.16 / 1.0**

[*]All holes are inclined, therefore "From" and "To" distances tabulated are metres down-hole, not vertical metres. Furthermore, calculated intersection "Intervals" are down-hole lengths and not true widths.
All assays are reported uncut.
[1] Initial fire assay; [2] Check fire assay; [3] Total metallic-sieve fire assay of coarse crush reject;[4] Average of fire assays or, if carried out, the metallic-sieve result.

On February 14, 2011 the Group reported has received the results of the Hole-to-Hole 3D IP-survey (the "Survey") carried out from December 6-9, 2010. The Hole-to-Hole 3D IP method also penetrates below the lower limit of the drill holes, and the data is processed to deliver an integrated 3D image of potential target anomalies.

A Logistics and Interpretation Report from Abitibi Geophysics details the interpretation of thirteen (13) IP anomalies (C-1 to C-13) from the 3D survey, which have been incorporated into the 3D Gemcom® model of the Property. Six (6) priority targets have been selected for Phase II drilling based on a geological interpretation of the updated 3D model by MRB & Associates of Val-d'Or, QC, who continue to evaluate the data for additional drill targets.



On April 20, 2011 the Group announced that all permits have been secured, and the 13 hole, 3,130 metre Phase II diamond-drilling programme at the Regcourt Property is underway. The holes are designed to: 1) test geophysical anomalies outlined by a recently completed down-hole IP survey; 2) target untested parts of mineralized shear zones, and; 3) test the down-dip extensions of gold-bearing structures intersected by 2010 drilling.

On June 6, 2011, The Group completed the Phase II diamond-drilling programme and surface IP survey. The Phase II diamond-drilling comprised 13 holes totalling 3,130 metres and was designed to target: 1) geophysical anomalies outlined by the recently completed down-hole IP survey; 2) untested parts of the hydrothermal quartz-tourmaline veins and stringers associated with fractures and shear-zones; and 3) the down-dip extensions of gold-bearing structures intersected by 2010 drilling. Due to the significant number of exploration programmes underway locally, a complete set of assays are not expected until late August.

On August 2, 2011, the Group announced that a surface, time-domain resistivity/induced polarization (IP) survey had been completed. The geophysical survey covered 7 line kilometers and was carried out by Abitibi Geophysics Ltd (“Abitibi”) of Val-d’Or, from May 24-27, 2011 using their proprietary IPower 3D configuration.

Results obtained from the survey, which aimed to help delineate the sulphide-bearing, auriferous, quartz-tourmaline veins around and below the area of the historically active Regcourt Gold Mine, have been processed, and a summary report has been received. The survey has outlined two (2) significant anomalies. The first is a chargeable anomaly within a resistive zone, south of the historic mine workings. Although part of this anomaly was detected by the 2010 down-hole IP survey, the latest results indicate a possible westward extension. The second chargeable anomaly of interest occurs within a strongly conductive, east-west trending feature to the north of the grid, whose linear nature and consistently high conductivity with depth suggests a previously unrecognized shear zone. The chargeability-high within this linear feature may represent an area of mineralization within the shear zone. Galahad intends to test both of these targets during the next phase of diamond-drilling on the Property.

On October 17, 2011, Galahad announced the assay results from its recently completed Phase II drilling campaign at the Regcourt gold Property, 30 km east of Val d’Or, QC. The drilling successfully intersected targeted sulphide-bearing, gold-mineralized quartz veins in close proximity to the historic Regcourt Gold Mine workings.

A total of 854 core samples were collected from the recently completed 13-hole drilling campaign, which totalled 3226 metres and comprised eleven new diamond-drill holes and extensions to two Phase I holes (RG10-02 and RG10-07). ALS Chemex Laboratories in Val-d’Or, QC, carried out the analytical procedures.

The results received to date from the Phase II programme support the geological model of a Sigma-type, hydrothermal, shear-zone associated, gold-bearing quartz-tourmaline vein system for the Regcourt Project.

Selected highlights of the analytical results are listed in **Table 1**, and include:

- **39.50 g Au/t** over **1.20 m** (Hole RG11-08, from 40.90-42.10 m);
- **6.33 g Au/t** over **0.65 m** (Hole RG10-07 ext, from 303.00-304.00 m), and;
- **10.50 g Au/t** over **0.65 m** (Hole RG11-06, from 49.8-50.45 m);
- **14.60 g Au/t** over **0.35 m** (Hole RG11-06, from 55.65-56.0 m);
- **4.20 g Au/t** over **0.3 m** (Hole RG11-05, from 108.9-109.2 m);
- **3.21 g Au/t** over **0.5 m** (Hole RG11-02, from 197.80-197.30m)
- **12.05 g Au/t** over **0.4 m** (Hole RG11-02, from 241.85-242.25m)
- **4.85 g Au/t** over **1.00 m** (Hole RG10-02 ext, from 303.00-304.00 m);
- **14.45 g Au/t** over **0.50 m** (Hole RG10-07 ext, from 303.00-304.00 m).

Table 1: Highlighted results from the 2011 diamond-drilling programme*

Hole	**Hole Orientation (True) Azimuth**	**Dip**	**Length of hole (m)**	**From (m)**	**To (m)**	**Intersection (Au-gpt)**
RG11-02	**200º**	**-52º**	**300**	197.80	201.45	**0.86 over 3.65 m**
including				*197.80*	*198.30*	***3.21 over 0.50 m***
				241.85	242.25	**12.05 over 0.40 m**
RG11-03	**200º**	**-60º**	**389**	227.00	228.50	**1.44 0ver 1.50 m**
				233.80	242.00	**0.74 over 8.20 m**
RG11-05	**200º**	**-54º**	**324**	79.70	80.00	**2.42 over 0.30 m**
				108.00	109.20	**2.31 over 1.20 m**
				117.00	118.00	**0.94 over 1.00 m**
				268.50	270.00	**2.23 over 1.50 m**
RG11-06	**020º**	**-60º**	**279**	48.00	50.45	**3.08 over 2.45 m**
including				*49.80*	*50.45*	***10.50 over 0.65 m***
				55.65	56.00	**14.66 over 0.35 m**
				195.75	196.40	**1.49 over 0.65 m**
RG11-07	**020º**	**-60º**	**270**	157.80	158.15	**1.40 over 0.35 m**
RG11-08	**020º**	**-45º**	**177**	40.90	42.10	**39.5 over 1.20 m**
RG11-09	**020º**	**-50º**	**201**	35.00	41.00	**0.73 over 6.00 m**
RG10-02 (extension)	**200º**	**-60º**	**249 to**	281.10	282.40	**0.98 over 1.30 m**
			424	287.50	299.00	**0.41 over 11.5 m**
including				*297.50*	*299.00*	***1.63 over 1.50 m***
				303.00	304.00	**4.85 over 1.00 m**
RG10-07 (extension)	**020º**	**-55º**	**273 to**	376.45	376.8	**6.33 over 0.65 m**
			443	386.00	386.45	**14.45 over 0.50 m**
				415.00	418.00	**0.83 over 3.00 m**

All holes are inclined, therefore "From" and "To" distances tabulated are metres down-hole, not vertical metres. Furthermore, calculated intersection "Intervals" are down-hole lengths and not true widths. All assays are reported uncut.

The diamond-drilling program was designed to: 1) target the projected downward extensions of known mineralized quartz veins; 2) investigate the potential of previously untested structural features recognized from new geologic interpretations, and; 3) test the potential of underground IP anomalies detected by a down-hole IP survey, carried out in December 2010.

Results of the 2011 exploration programme to date show that: 1) significant gold-mineralization has been intersected to a depth of 260 m (holes RG10-05 and RG10-06), nearly 100 m below the historic Regcourt Mine underground workings; 2) the down-dip extension of an inferred shear-structure, interpreted from the 3-D Gemcom® model was intersected by hole RG11-03 and encountered gold mineralization at 180 and 260 vertical metres, and; 3) in order to gain a better understanding of the weak correlation between gold mineralization and the IP anomalies identified by the December 2010 down-hole IP survey, a systematic re-sampling of core intervals that transect the IP anomalies is underway (see Table 2). These samples will be assayed for their gold and whole-rock contents in order to determine the source of the chargeability and resistivity IP responses.

Table 2: Re-sampled intervals of 2010 and 2011 drill holes that transect IP anomalies defined by the December 2010 down-hole 3-D IP survey.

Hole	Hole Orientation (True)		Length of hole (m)	IP Anomaly	From (m)	To (m)	IP Intersection (m)
	Azimuth	Dip					
RG-10-07	**020º**	**-55º**	**424**	C-5	210.00	250.00	40.00
RG-11-01	**200º**	**-80º**	**288**	C-12	90.00	122.00	32.00
RG-11-03	**200º**	**-60º**	**389**	C-13	136.00	150.00	14.00
RG-11-04	**200º**	**-60º**	**300**	C-11	213.00	244.80	31.80
RG-11-05	**200º**	**-54º**	**324**	C-6	15.00	44.30	29.30
RG-11-06	**020º**	**-60º**	**279**	C-9	232.00	246.00	14.00
RG-11-08	**020º**	**-45º**	**177**	C-2	100.00	120.00	20.00

Montrose

The Group holds one mining lease in Montrose Township, Ontario. During 2001, the Group acquired the lease for 5,000 (50,000 pre-consolidation) common shares and a 1% net smelter return royalty (“NSR”) on the property subject to the mining lease. During 2008, the Group completed a geological mapping and IP geophysical programme, with a view to drilling the property in the fall of 2009.

On May 26, 2009, the Group announced that positive results from a recent geophysical survey that has increased the potential on its Montrose Gold Project. The recently completed induced polarization (I.P.) survey, as follow-up to a soil survey in late 2008, outlined several corridors of enhanced conductivity values which may be associated with significant deformation/alteration zones with a high potential for gold-bearing mineralization. A strong linear gold-in-soil anomaly crosses the property prioritizing the I.P. targets.

On July 21, 2009 the Group has announced an increase in gold potential on its Montrose Project located south west of Kirkland Lake. This property consists of one Mining Lease straddling a splay fault off the prolifically mineralized Larder Lake – Cadillac Break. Completed in early July, a crew of geologists surveyed the location of historical drill holes relative to the recently outlined induced polarization survey targets. The majority of the hole collars were located and surveyed, none of which corresponds to the high priority I.P. targets selected for drilling by Galahad.

This work highlights the potential for new discoveries to be made on the property, some of which were previously thought to have been tested. High priorities selected are geophysical targets coincident with gold-in-soil anomalies.

On February 25, 2010 the Group reported that it had signed a drill contract with CABO Drilling Ontario Corp. to test geochemical and geophysical targets on its wholly owned Montrose Lease.

All permits were received and drilling commenced March 1, 2010. Eight, highly rated geophysical I.P. targets were selected for an initial Phase 1 program of about 800 meters.

On March 23, 2010 the Group announced completion of a total of seven drill holes for a total of 687 meters on its Montrose Project. Six of the holes tested such targets however one hole was dedicated to testing a high resistivity anomaly within the Main Zone where historical drilling intersected widespread, near-surface gold mineralization.

Best results from the drilling program are shown in the following Table:

Hole	from (m)	to (m)	Au (g/t)		interval (m)
M-010-07	**21.00**	**32.00**	**1.87**	**over**	**11.00**
including	*21.00*	*25.00*	*3.62*	*over*	*4.00*
and	*27.00*	*32.00*	*0.95*	*over*	*5.00*
M-010-04	**14.30**	**15.50**	**0.70**	**over**	**1.20**

In hole M-010-06, faulting, sulphide mineralization and associated anomalous gold values were encountered between 92-98 m indicating that gold mineralization may extend along the Galer Fault zone, at least 700 m to the northwest.

Although high-grade values were not encountered in all of the drill holes, the telltale green carbonate alteration typical of the Kirkland Lake – Matachewan area gold deposits and newly recognized komatiite flows are consistent with local gold deposits.

With the Phase I drilling program completed, all of the current and available historical data is being validated, compiled and transcribed by MRB & Associates of Val-d'Or (Québec) into a Gemcom® database in order to create a 3D model of the deposit. The 3D modelling and drill-target generation will be completed in time for an anticipated Q2, 2011 drilling program on the Property.

On March 14, 2011 the Group reported receipt of a Technical Report on Galahad's Montrose Project, compliant with National Instrument 43-101 standards.

The Technical Report details all known historical data, and Galahad's Metals Inc. exploration efforts since 2008. This work culminated in a seven-hole, diamond drilling program carried out during the winter/spring months of 2010. Drilling tested a series of geophysical induced polarization targets including one on the gold mineralized Main Zone, a package of carbonate rocks in the order of 100 m thick. The Main Zone sits north of a splay fault off the regionally important Cadillac-Larder Lake Break.

Recommendations include testing of the on-strike extension and depth potential of the Main Zone. To date, the Main Zone has been explored only to shallow depths of up to 50 meters. A staged program of 31 drill holes has been recommended (4875 m) to test continuing exploration priorities and further explore the Main Zone carbonate package.

The geological setting of rocks outcropping on the mining lease consists of carbonate-altered ultramafic rocks of the Lower Tisdale assemblage. These units lie along the Galer Lake fault, a splay fault zone off the Cadillac-Larder Lake Break. The altered rocks intersected to date are analogous to the host rocks of some of the historic gold ores occurring in the Kirkland Lake

District. Past trenching in the mid-1940s and mid-1970s on the fault has demonstrated that this structure is strongly deformed and characterized by green carbonate with anomalous assay values from chip samples of up to 3.8g/t Au over 13.6 meters and 6.2 g/t over 6 meters. The above highlights indicate that further drilling by Galahad is highly warranted, particularly in light of the recent interpretation of data made by the Company and described in the Technical Report.

Kellyn Project

On January 21, 2009 the Group announced that it has optioned the Kellyn property (nine claims; 56 claim units) from two local prospectors (the "Optionors") in the Thunder Bay area. The highly prospective Kellyn property is comprised of a gold and base metal vein system that occurs along the contact between ultramafic rocks and a granitoid body. Historic data indicate that up to 2.72 oz/ton gold and 31.4 oz/ton silver were found on the property. One sample collected by Galahad Metals contains 26.8 g/t (0.84 oz/tone) gold and two contain from 3 to 13 oz/tone silver.

Under the terms of the agreement, GAX is required to pay to the Optionors, subject to the approval of the TSX-V, $6,000 and 100,000 shares of GAX upon signing and on the first, second and third anniversaries. The property is subject to a 2% NSR payable to the Optionors, of which half can be purchased for $1,000,000.

On June 17, 2009 the Group has announced that it has staked and has optioned 2 additional claim blocks for its high-grade gold prospect. Under the terms of the agreement the Group is required to pay consideration to of $2,500 CDN and the issuance of 75,000 shares of the Group.

On October 26, 2009 the Group announced completion of a summer program of geochemical sampling, prospecting, stripping and channel sampling at its Kellyn Project. Based on an analysis of soil and rock geochemical samples five distinct zones of interest were outlined, some of which require further sampling and two are drill ready.

Initial grab sampling by the Group prior to optioning the claims assayed 26.8 g/t (0.84 oz/tone) gold from the newly discovered Creek showing. Other known occurrences on the claims occurring along a contact between ultramafic and granitoid rocks included the Elgin Adit Showing (historical assays of 22g/t gold and 62.5 g/t silver) and Jon's Showing (historical assays of 11 g/t gold and 968 g/t silver).

Additional sampling in 2009 at the Creek Showing confirmed the high grade nature of this narrow quartz vein, assaying 24.7 g/t gold, 40 g/t silver. The silver potential of the Jon's showing was highlighted with assays from 4 - 454 g/t silver and anomalous gold from 0.14 – 1.21 g/t. Both gold and silver are associated with telluride minerals as well as anomalous base metals. These two prospects are drill-ready.

In addition to precious metals, sampling of various rock types at the Adit area were found to be enriched in rare earth elements as previously reported by the Group. Eight rock samples from a stripping area above the adit ranged from 0.23 to 1.92 % total REE; three samples were in excess of 1% total rare earths. Host rocks are varied, and include quartz veins, alkaline gabbro and altered volcanic rocks. In addition most are barium-enriched, a Hemlo-like signature. Geologically the REE-enriched zone occurs in a highly strained zone of gabbroic rocks near the contact with the Terrace Bay batholith. The REE's in the Adit area are light-REE enriched. Additional prospecting is required as the number of samples is relatively small.

On February 10, 2010 the Group announced recent discovery of a very metal-enriched soil anomaly covering a roughly circular area of at least 75,000m2 on its Kellyn Project as a result of interpretation of summer 2009 field results.

The soils are best represented by copper and REEs (rare earths), but also a close association of elevated gold with copper. The average copper content in the soils is 430ppm, a remarkable average for copper in B-horizon soils. This area probably represents the core of a mineralized system surrounded by exposed, but narrow, gold-copper veins, silver-lead quartz veins, silver-REE quartz veins or REE enriched lamprophyre dykes. The REE-enriched values (from 0.23 to 1.92% total REE) are best exposed in the Adit area in quartz veining and in the lamprohyre but are also highly anomalous throughout the broad soil anomaly (Lanthanum: 50-630ppm). Prospecting did not give further clues to source type as there are no outcrops in or around this large soil anomaly. Historical underground mining has taken place on the silver-lead veins in the Adit area. As previously reported the gold-copper vein is poorly exposed in a creek and has not been drill tested in spite of the high-grade assay grab values taken off the vein (28g/t gold).
Both soil data and rock multi-element values indicate that the Kellyn area has an unusual combination of elements. The element associations with highest gold values (which include barium), are somewhat typical of that at Hemlo and/or a porphyry or epithermal system. The highest REEs correspond to quartz veins hosts as well as lamprophyric rock which likely belong to a later Archean alkaline suite. The soil anomaly is discreet, sharply defined, and topography suggests that it does not appear to have been transported far from source.

On November 4, 2010 the Group announced that it will initiate aggressive exploration for rare earths on its Kellyn claim group located in northwestern Ontario. Previously discovered in 2009 sampling of various rock types above old workings with exposed quartz veining (“the Elgin Adit area”) were found to be enriched in rare earth elements. Historical values of grab sampling from the Adit veins assayed up to 22g/t gold and 62.5g/t silver (PR #09-24, October 26, 2009) but the workings date back to the early 1900s. Eight rock samples from a stripped zone ranged from 0.23 to 1.92% total REE; three of which were in excess of 1% total rare earths. Geologically the REE-enriched zone occurs in a highly strained zone of gabbroic rocks near the contact with the Terrace Bay batholith. The number of samples is presently limited and only a small portion of the claim group was examined by line cutting and a soil geochemical survey in 2009.

On December 8, 2010 the option agreement was amended in which Galahad’s second and third anniversary payments would be suspended while the optionors pursued option or joint venture agreement with a third party regarding the Kellyn property until June 30, 2011. As part of the prospective option or joint venture agreement the optionors are required to receive collectively at least 300,000 shares of the target company with whom the optionors have entered into such an agreement. Should a third party agreement be entered into the optioners shall transfer the target company shares up to a maximum of 300,000 to Galahad Metals Inc. immediately.

Should the optionors be unable to reach a third party agreement by June 30, 2011 then Galahad has the right to carry on whatever exploration is deemed appropriate for the remainder of the 2011 season and;

1. On July 5, 2011, one of either $6,000 & 100,000 shares in Galahad; or $12,000; or 200,000 shares in Galahad; and
2. On the third anniversary, at the option of the Company one of either $6,000 & 100,000 shares in Galahad; or $12,0000; or 200,000 shares in Galahad.

Following the final anniversary payment the optionors covenant, to convey to Galahad their aggregate 100% interest in the Kelly property.

On July 6, 2011 Galahad was notified by Wayne Richards, one of the Kellyn Gold property optionors, that due to not having received the annual option payment on time that Galahad was in default on its option payments and that the option agreement was terminated.

On July 25, 2011, Galahad Metals Inc. commenced a claim against Wayne Richards and James Hamel (the Kellyn Gold property optionors), stating that the Kellyn option agreement has not been terminated by Galahad, as well as punitive damages in $500,000, costs of this proceeding, and other damages as the court deems fit.

On August 23, 2011, Wayne Richards and James Hamel (the Kellyn Gold property optionors) responded to Galahad's July 25, claim with a counterclaim that the Kellyn Option agreement be terminated immediately, as well as $20,000 for lost profits. Galahad's management and legal counsel have reviewed the counterclaim and at this time believe that it is unlikely that the court will rule in favor of Richards and Hamel. Galahad's management will pursue action against Richards and Hamel to ensure maximum value for Galahad's shareholders is obtained.

No further exploration program has been budgeted for the Kellyn property for 2011. The Group remains in legal pursuit to have the option agreement re-instated. If the Group is successful it will continue to search for a joint venture partner to carry on further exploration on this project.

Bottle Creek Property – Nevada

On March 16, 2005, Galahad Metals Inc (the parent company of Red Ore Gold) announced it had entered into an option agreement with Golden Gryphon Explorations Inc., a private company incorporated in British Columbia, whereby the Company had the option to earn 60% of the Bottle Creek epithermal gold-silver property in Humboldt County, Nevada.

The property is located in the Bottle Creek mercury district of northwestern Nevada, approximately 250 kilometres northeast of Reno. The core of the Bottle Creek system lies beneath past producing, high-grade mercury mines that are interpreted to be the surface manifestation of a mineralizing system capable of depositing gold and silver as well. Gold and silver exploration in the area dates from 1982 when the area was worked for both Carlin-type disseminated gold mineralization and low-sulphidation epithermal mineralization at shallow depths. Results of historical and current work indicate that the region displays widespread anomalous gold, silver, selenium, antimony, arsenic and mercury and lower but anomalous molybdenum, copper lead and zinc content - this coupled with altered rhyolite and basalt host rocks suggests that Bottle Creek fits into a distinct class of epithermal gold mineralization that includes the Ken Snyder (Midas) (2.39 M oz gold), Mule Canyon (1.43M oz gold) and Sleeper (1.68 M oz gold) deposits.

On September 30, 2010 the Galahad Metals Inc. transferred its claims in the Bottle Creek property into Bottle Creek Exploration LLC, a Nevada limited liability corporation in which Galahad Metals Inc. owns 60% interest and Golden Griffon USA Inc. (GGE is the operator of the project.) holds the remaining 40% interest.

On February 24, 2011 the Galahad Metals Inc. (the parent company of Red Ore Gold) announced its intention to spin out its 60% interest in Bottle Creek Exploration, LLC ("Bottle Creek") into its wholly owned subsidiary Red Ore Gold Inc. ("Red Ore"). Bottle Creek is a venture with Golden Gryphon Inc. and holds the Bottle Creek, Nevada gold property (the "Property").

On March 25, 2011 Red Ore Gold Inc. signed the transfer agreement, assignment of membership interest agreement and the assignment of agreement and assumption of liabilities with Galahad Metals Inc. in which Red Ore Gold has acquired Galahad's interest in the Bottle Creek Exploration LLC.

On May 2, 2011 the Group announced sampling results from its Water Canyon Ridge target area in the Bottle Creek project, Nevada. A portion of this target area was tested by soil grids and a significant silver anomaly was outlined with anomalous gold. The silver anomaly is open in at least two directions with gold having a less continuous dispersion pattern. The Water Canyon Ridge zone contains an epithermal vein swarm. The width of the vein swarm ranges from 100 to 400 meters and has a potential 4-km east-west strike length from west of Buff Peak pass to the east end of the Water Canyon vein swarm. Part of this strike length is covered by post mineral volcanics.

An initial grab sample from an old prospect dump on the vein swarm returned a value of 2.6 g/t gold. Further grab samples from the dump assayed from 0.2 g/t gold to 40 g/t gold and up to 171 g/t silver. The prospect dump is located at the southern edge of the vein swarm and at an apparent structural level 160 metres beneath the veins on the crest of the ridge. The precious metal bearing veins in the Water Canyon Ridge zone consist of multiple generations of banded chalcedonic quartz veins, quartz - carbonate ± adularia +/- fluorite, and quartz+/- adularia +/- sulfide veins. Some of these veins show replacement textures of quartz after carbonate. The textures of the veins, mineralogy, and trace metal content all indicate an epithermal precious metal hydrothermal system. Additional examples of the banded, oxidized, sulphidic quartz veins from a higher elevation and 0.9 kilometers farther west contain highly anomalous silver (to 171 g/t) and anomalous gold (to 0.6 g/t) with anomalous As, Hg, Mo, Pb, Sb, Se and Te. Collectively these data indicate that the surface mineralization occurs at the higher levels of a typical epithermal vein system.

Further surface surveys, geophysics and permitting will be carried out this summer in order to select the best drill targets for a fall, 1,600 metre, drill programme on the Water Canyon Ridge vein swarm.

There has been a preliminary first quarter budget for Bottle Creek in 2011 of $431,500 USD which has been approved by the Board of Directors. This budget encompasses a drill program as well as other geological exploration to be performed on this property.

Phase one of the drill program will begin in June, with a 6 hole, 3,000 metre+ programme on already permitted key targets in the main zone in the center of the historic Bottle Creek mercury district. One of these targets is the projected intersection of the Water Canyon vein trend and a key mineralized range front fault target on the west side of the center of the Bottle Creek district.

Ryepatch - Nevada

On April 20, 2011 the Group announced that it has signed a Letter of Intent (LOI) with Gold Range Company LLC (GRC) to explore and develop their Ryepatch gold-silver-tungsten-antimony property in Pershing County, Nevada.

The Rye Patch property, comprised of 75 unpatented lode claims and one patented lode claim, covers approximately 1,500 acres and 2.5 miles of prospective strike length over the productive Humboldt Thrust Fault.

On November 5, 2011, Red Ore Gold signed a mining lease agreement with Gold Range Company LLC to explore and develop the Ryepatch property. The terms of the Mining Lease Agreement include advance production royalty payments which start with US$10,000 on signing the LOI plus US$10,000 on signing the Lease Agreement, US$20,000 at the end of year one, US$30,000 at the end of year two, US$50,000 at the end of year three, US$100,000 at the end of year four and US$200,000 at the end of year five and thereafter. GRC retains a 5% NSR which shall be subject to a buy-down clause in favour of ROG to 3% NSR for US$3,000,000 and to an additional buy-down to 1.5% NSR for an additional amount of US$3,000,000. The advance production royalty payments shall be deductible from future production royalties. There are no work commitments in the deal.

The Ryepatch Property (including the historic Ryepatch and Agness Mines) is believed to host the potential to develop large gold-silver bulk mineable mineralization similar to the adjacent Florida Canyon and Standard open pit / heap leach mines hosted in carbonate rocks of the Triassic age Grass Valley, Natchez Pass and Prida Formations.

Discovered about 1860, the Ryepatch Mine is reported by the Nevada Bureau of Mines and Geology to have produced more than 600,000 ounces of silver by 1870. In 1954 they reported that 80 tons of high grade tungsten ore was produced and also that minor high grade antimony was produced during the 1960’s.

The mineralized gold-silver zone has been traced in outcrop for more than 2.5 miles and occupies a north-south trending structural corridor 400 to 1,000 feet in width along a major thrust fault. Mineralization on the south end of the corridor is silver dominated, progressively becoming enriched in gold from the south to the north where historic surface grab samples range from 1.25 to 3.44 grams per tonne (.04 to .11 ounces per ton) gold in the mineralized zone in the Prida and Rochester Rhyolite Formations. Antimony-rich veins are frequently associated with gold mineralization and historic surface grab samples from the central portion of the main corridor have yielded results to 1.25 grams per tonne (.041 ounces per ton) gold and 291 grams per tonne (9.3 ounces per ton) silver.

Extensive mine working, to only a depth of 61 meters (200 feet), explore the zone with the bulk of development near the southern portion of the property in the vicinity of the Ryepatch Mine. Additional small mine workings are present along the entire strike of the mineralized corridor. Most of the historic workings below surface are accessible but none have been mapped or sampled. The property has never been drilled.

On November 2, 2011, Red Ore Gold announced results from its due-diligence sampling and property visit to the Rye Patch Property, Nevada this September, 2011. 4 rock dumps were visited at the Rye Patch Group Mine and 4 rock grab samples were taken from those dumps. Assay results are presented in the table below.

SAMPLE		Ag	Au	Cu	Sb	Zn	Pb
		g/t	g/t	%	%	%	%
57767	quartz stockwork in brecciated limestone	4,350	0.9	0.54	0.54	0.19	1.65
57766	quartz stockwork in brecciated limestone	2,530		0.36	0.34	0.83	0.09
57765	brecciated limestone	2.9					
57764	quartz in fault, rhyolite	131				0.21	1.06

The due diligence property visit has revealed that mineralization observed at the historic workings is both high-grade and extensive. In addition, no modern exploration has occurred on the property since the discovery of the Carlin-type deposits in the 1960s. Drilling beneath the shallow workings is highly warranted.

Pogonip Ridge – Nevada

On May 19, 2011, the Group announced that it has signed a Letter of Intent (LOI) with Gold Range Company LLC (GRC) to explore and develop their Pogonip gold-silver property in White Pine County, Nevada.

The Pogonip property has 58 unpatented lode claims, 16 patented lode claims and one patented mill site, comprised of approximately 725 hectares covering a 3 km strike length of highly favourable prospective geology.

On October 5, 2011, Red Ore Gold announced results from its due-diligence sampling and property visit to the Pogonip Ridge Property, Nevada this September, 2011. The results ranged from 9.9 to 258.0 g/t Ag , trace to 1.4 g/t Au, trace to 2.9% copper, trace to 18% lead and trace to 27.5% zinc. Results are tabulated below:

SAMPLE		**Au**	**Ag**	**Cu**	**Pb**	**Zn**
		g/t	g/t	%	%	%
57769	Pit, South Boundary with Roco-Homestake Mine	1.405	248.0	2.91	18.15	0.27
57770	Dump, South Boundary with Roco-Homestake Mine	0.017	64.3	0.65	2.42	20.6
57771	Dump, Tonopah-Belmont Mine	0.049	9.9	0.02	0.65	0.12
57772	Dump, Mary-Ellen Mine	0.08	258.0	0.07	17.15	22.3
57773	Dump, Mary-Ellen Mine	0.008	18.5	0.01	0.65	27.5
57774	Dump, Mary-Ellen Mine	0.103	169.0	0.03	8.37	0.77

The due diligence property visit has revealed that mineralization observed in the historic workings is both high-grade and extensive. Drilling beneath the shallow workings is highly warranted. In addition, no modern exploration has occurred on the property since the discovery of the Carlin-type deposits in the 1960s.

On October 12, 2011, Red Ore Gold announced the staking of 86 additional unpatented lode mining claims in north-central Nevada covering a total of 1,777 acres (719 hectares) strategically located between Ely Gold's and Solitario's Mt. Hamilton Gold-Silver Project and their own

Pogonip Ridge Silver-Gold Property. This more than doubles the size of the Red Ore Gold's property to 3,120 acres (1,262 hectares).

On November 5, 2011, Red Ore Gold signed a mining lease agreement with Gold Range Company LLC to explore and develop the Ryepatch property. The terms of the Mining Lease Agreement include advance production royalty payments which start with US$5,000 on signing the LOI plus US$15,000 on signing the Lease Agreement, US$20,000 at the end of year one, US$30,000 at the end of year two, US$50,000 at the end of year three, US$100,000 at the end of year four and US$200,000 at the end of year five and thereafter. The owner retains a 4% NSR which shall be subject to a buy-down clause in favor to 1.5% NSR for US$1,000,000 per percentage point. The advance production royalty payments shall be deductible from future production royalties. There are no work commitments in the deal.

The Pogonip Property (which includes the historic Tonopah-Belmont and Mary Ellen Mines and portions of the Rocco-Homestake Mine) offers excellent potential for the discovery of a multi-million ounce sediment hosted gold-silver and/or silver-gold bearing polymetallic carbonate replacement (manto) deposits. The property lies along Nevada's prolific Battle Mountain-Eureka Trend within the central part of the lead-silver zone of the White Pine Mining District.

The famed White Pine Mining District has recorded past production exceeding two million ounces of gold and 30 million ounces of silver with known significant resources of molybdenum, copper and tungsten. The potential for Pogonip is deemed to be very prospective as little to no modern mineral exploration has occurred in this silver District since the discovery of the Carlin-type gold deposits in the mid 1960s.

The Pogonip Ridge property highly prospective Paleozoic platform carbonate sediments are known to host significant gold and silver resources along both the Battle Mountain and nearby Carlin trends, but have not experienced the level of exploration seen elsewhere along the Battle Mountain-Eureka Trend. Numerous unexplored structural environments occur or can be projected into the favourable stratigraphic horizons. This stratigraphic setting is similar to that of other rich silver deposits in the White Pine District. Historical mine maps of the Mary Ellen Mine indicate the presence of gold up to 8.4 g/t.

RED ORE GOLD INC.

On January 13, 2011 Red Ore Gold Inc. a fully owned subsidiary of the Company was incorporated under the British Columbia Corporations Act. Galahad's Board of Directors has approved the transfer of its interest in Bottle Creek Exploration LLC to Red Ore Gold Inc. Red Ore Gold Inc. will be responsible for funding any future exploration performed on this property. The Galahad and Red Ore board have approved the initial public offering of Red Ore Gold Inc. In consideration, Galahad will receive 8,838,938 common shares of Red Ore (the "Consideration Shares"), at a deemed price of $0.50 per Consideration Share.

Galahad has retained the Consideration Shares, rather than to distribute them to its shareholders. The Board of Directors is of the opinion that by Galahad retaining the Consideration Shares rather than distributing them to its shareholders, an orderly and balanced after market will be created for the IPO shares. At the date of the transfer was completed, Red Ore Gold was a wholly owned subsidiary of Galahad.

On May 5, 2011, the Company issued 935,000 units to investors at a price of $0.50 per unit for gross proceeds of up to $467,500 as part of a private placement. Each unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.75 per common share exercisable on or before January 31, 2013. Galahad did not partake in this private placement.

On June 3, 2011, the Company signed an agreement with PI Financial to act as its exclusive agent with respect to the Company's proposed initial public offering ("IPO"). As part of the IPO the Company will be looking to raise a maximum of $3,000,000 through the sale of units. Each unit will consist of one common share and one transferable common share purchase warrant. It is anticipated that each unit will be issued at a price of $0.30 per unit with a common share purchase warrant exercisable into one additional common share of the Company for two years following the closing date of the IPO at an exercise price of $0.40 per share.

The Company has granted PI Financial an option to cover over-allotments, which will allow PI to offer up to: (i) 1,500,000 additional units; (ii) 1,500,000 additional warrants; or (iii) any combination of additional units and additional warrants so long as the aggregate number of additional common shares does not exceed 1,500,000 common shares and the aggregate number of additional warrants does not exceed 1,500,000 warrants. The over-allotment option may be exercised in whole or in part at any time prior to the closing date of the IPO.

The Company will pay a commission of 10% of the gross proceeds of the offering on the closing of the IPO to PI. The Company will also pay the agent a corporate finance fee of $25,000. PI may elect to receive the commission in cash or, in whole or part, in units at a deemed price of $0.30 per unit. The Company will also issue to PI on closing of the IPO, compensation options equal in number to 10% of the aggregate number of units sold under the IPO. Each compensation option will entitle PI to purchase one common share, at any time and from time to time for a period of 24 months following the closing date of the IPO, at an exercise price equal to $0.30 per common share.

On June 13, 2011, after consultation with PI with respect to pricing of the common shares to be issued in connection with the Red Ore Gold's proposed IPO, the Board of Directors passed a resolution to effectively reduce the price of the April private placement from $0.50 per unit to $0.25 per unit, and to amend the warrant exercise price to $0.40, down from $0.75. To give effect to the foregoing dilution, as of June 30, 2011, the Board of Directors has approved the issuance of double the amount of compensation shares and the issuance of rights to the investors who participated in the Red Ore Gold's initial private placement which closed on May 5, 2011. The rights offering will allow investors to subscribe for an additional 935,000 units at a price of $0.01 per unit. In connection with this rights offering, the warrants previously issued to the investors will be amended to increase the number of warrants granted to equal the total number of common shares subscribed for by such investors and to reduce the exercise price to $0.40. Galahad has agreed not to exercise any of the rights issue to it.

As at September 30, 2011, the Company had paid $12,500 of the corporate finance fee and realized a provision for the commission payable to PI Financial, based on the minimum gross proceeds from the IPO.

On October 3, 2011, the Board of Directors of the Company agreed unanimously to postpone the IPO for an additional 90 days past the December 15, 2011, required closing date. Management's recommendation to postpone the IPO was due to poor economic conditions making it difficult for the Company to raise the required minimum financing as outlined in the final prospectus as well as obtain the required shareholders per the TSX Venture listing conditions. It is the view of the

Board of Directors that with an additional 90 day extension on the IPO the Company should be successful in completing its IPO.

As of the date of this MD&A Red Ore Gold Inc. has not yet completed its initial public offering. Management believes that the IPO will be completed in early 2012.

SELECTED ANNUAL INFORMATION

The following table contains selected interim financial information of the Group for the nine months ended September 30, 2011 as well as the year end December 31, 2010 and 2009. This information is derived from the September 30, 2011 unaudited interim consolidated financial statements as well as the December 31, 2010 audited consolidated financial statements of the Group.

	Nine month period-ended September 30, 2011 $ (IFRS)	**Nine month period-ended September 30, 2010 $ (IFRS)**	**Year-ended December 31, 2010 $ (IFRS)**	**Year-ended December 31, 2009 $ (Canadian GAAP)**
Revenue	Nil	Nil	Nil	Nil
Total expenses	(2,300,138)	(978,340)	(2,829,076)	(790,910)
Recovery of future income taxes	29,419	-	-	182,500
Net loss for the period	(2,238,819)	(983,192)	(2,854,462)	(629,005)
Net loss attributed to owners of the parent	(2,099,941)	(983,192)	(2,228,459)	(629,005)
Basic and diluted loss per common share	(0.04)	(0.05)	(0.06)	(0.05)
	As at September 30, 2011 $ (IFRS)	**As at September 30, 2010 $ (IFRS)**	**As at December 31, 2010 $ (IFRS)**	**As at December 31, 2009 $ (IFRS)**
Total assets	940,646	940,646	277,462	319,947
Total long-term financial liability	10,882	NIL	NIL	NIL
Cash dividends per common share	NIL	NIL	NIL	NIL

Total expenses were greater by $1,321,798 when comparing the nine month period ended September 30, 2011 to 2010. There was an increase in exploration and evaluation expenditures during the nine months ended September 30, 2011, of approximately $577,600 compared to the same period last year. The increase is due to the 1) timing of the drilling performed on the Regcourt property, 2) expenditures incurred on Ryepatch and Pogonip in 2011 of approximately $114,800 in 2010 the Group did not have exploration agreements on these properties and as a result no expenditures were incurred, 3) In 2010 there was an exploration drill project on Montrose were as in 2011 no significant exploration was performed on the Montrose property for a variance of $194,000. Promotion and investor conference fees increased by approximately $70,700 due to the increase in promotion of Galahad's Regcourt property as well as in 2011 there was increased promotion for the incorporation and first private placement and IPO for Red Ore Gold. As Red Ore was incorporated in 2011 there were no similar costs incurred as at September 30, 2010. During the nine month period ending September 30, 2011 the Group accrued $20,352 for Part XII.6 tax, compared to $22,349 for the same period in 2010. The Part XII.6 tax was greater in 2010 due to the fact that in 2010 the company accrued both the tax and the interest, where as in 2011 only interest was accrued. There was also an increase of approximately $452,380 for professional fees due mainly to the incorporation of Red Ore as well as legal fees required to commence Red Ore's IPO. There was an increase in management fees of approximately $127,750 in the nine months ending September 30, 2011, compared to 2010. The reason for the increase was due to the fact that in 2011 the Board of Directors approved a $25,000 payment to the CEO of Galahad as well as in 2011 the Galahad and Red Ore Board approved annual retainers for the directors and committee chairman. No retainers were in effect in 2010. Finally the compensation of the CEO was increased by approximately $1,500 per month in 2011. There was an increase in general and administrative expenses of approximately $81,400 in 2011 compared to 2010 due to the fact that in 2011 the general administrative expenses include the expenses of Red Ore Gold and Bottle Creek Exploration LLC, where as in 2010 these companies were not consolidated with Galahad. Regulatory expense has increased by approximately $13,600 in the nine months ending September 30, 2011 compared to 2010. This is due to regulatory filings which were required after the incorporation of Red Ore and preliminary IPO documents as well as the fees to have Galahad's June 2011 temporary cease trade order lifted. Stock option expense lower by approximately $89,300 in the nine month period ending September30, 2011 compared to the same period in 2010. This was due to the fact that fewer options were granted in 2011 as well as the decrease in trading value of Galahad shares in September 2011 compared to September 2010 where the majority of the annual stock options were granted. Finally there was an increase in share compensation of $86,700 in Q3 2011 compared to Q3 2010. This is due to the fact that Red Ore Gold offered shares to its officers as part of their contracts in 2011. There was no such share offering in 2010.

No cash dividends have been paid by the Group. The Group has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance new and existing exploration activities.

Expenses and Net Loss for the Period End

Total expenses for the nine months ended September 30, 2011, were $2,300,138 (2010 - $978,340).

Other income and expenditures for the nine month period ended September 30, 2011, was $ 31,900 (2010 – ($4,852).

During Q3, 2011, the Group recorded a recovery of future income taxes of $29,419 (2010 - $NIL)

Net loss for the nine month period ended September 30, 2011, was $2,238,819 (2010 - $983,192). Net loss attributable to owners of the parent for the nine month period ending September 30, 2011, was $2,099,941 (2010 – 983,192). Basic and diluted loss per common share for the nine month period ended September 30, 2011, was $(0.04) (2010 - $(0.05)).

Selected Financial Data quarterly

Quarter	Net Loss ($)	Loss/share ($)	Total Assets ($)	Shareholder's Equity attributable to owners of the Parent ($)	Non controlling interest ($)
Q3/2011 (IFRS)	(705,774)	(0.01)	940,646	(1,317,887)	1,623,961
Q2/2011 (IFRS)	(805,796)	(0.01)	1,441,680	(578,950)	1,356,926
Q1/2011 (IFRS)	(727,651)	(0.02)	1,968,907	23,869	1,304,233
Q4/2010 (IFRS)	(1,871,270)	(0.04)	277,462	(1,024,373)	939,394
Q3/2010 (IFRS)	(293,567)	(0.01)	316,680	(816,967)	
Q2/ 2010 (IFRS)	(277,126)	(0.01)	65,313	(9,984)	-
Q1/ 2010 (IFRS)	(412,500)	(0.02)	158,998	(799,866)	-
Q4/ 2009 (CAD GAAP)	(386,870)	(0.04)	5,614,374	(4,732,114)	-
Q3/ 2009 (CAD GAAP)	(193,817)	(0.02)	4,899,596	(4,625,585)	-
Q2/ 2009 (CAD GAAP)	(135,845)	(0.01)	5,137,036	(4,668,747)	-

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2011, the Group had cash totaling at $723,894 (2010 - $211,128). During the nine month period ended September 30, 2011, the Group received $ 2,404,128 through financing activities and utilized net cash of $1,878,538 and $28,808 for operating and investing activities respectively.

The Group has financed its operations from inception to date through the issuance of equity securities. The Group has budgeted exploration work programs, administrative and other expenses that exceed available cash resources. From inception to date, the Group has incurred losses from operations and has had negative cash flow from operating activities. As at September 30, 2011, the Group had total cash of $723,894 of which $215,480 are flow-through funds. The use of flow-through funds is restricted to direct exploration costs in Canada. The Group requires additional funding to be able to further its existing exploration projects and to meet ongoing requirements for general operations. The ability of the Group to continue as a going concern is dependent on raising additional financing, development of its properties and generation of profitable operations in the future.

Galahad Metals Inc. Financing Transactions

2011 issuances

On January 20, 2011 investors in the Company exercised 200,000 warrants at a price of $0.10 per warrant for cash proceeds of $20,000. The warrants had a maturity date of August 31, 2012.

On January 25, 2011 investors in the Company exercised 100,000 warrants at a price of $0.10 per warrant for cash proceeds of $10,000. The warrants had a maturity date of August 31, 2012.

On January 31, 2011 the Company issued 5,845,000 units of the Company ("Units") at a price of $0.15 per Unit for gross proceeds of up to $822,500 as part of a private placement which closed January 31, 2011. Each Unit consists of one regular common share of the Company and one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.25 per common share exercisable on or before January 31, 2013. The amount recorded to the share capital in the amount of $797,878 represents gross proceeds of $822,500 less share issue costs of $24,622. Share issue costs include cash share issue costs and the certain share issue costs that were settled by the issuance of 117,814 compensation units. Each compensation unit consists of one regular common share of the Company and one common share purchase warrant to purchase an additional non flow through common share at a price of $0.25 per common share exercisable on or before January 31, 2013.

On February 4, 2011 investors in the Company exercised 1,730,000 warrants at a price of $0.10 per warrant for cash proceeds of $173,000. The warrants had a maturity date of August 31, 2012.

On February 16, 2011 investors in the Company exercised 227,500 warrants at a price of $0.10 per warrant for cash proceeds of $22,750. The warrants had a maturity date of August 31, 2012.

On February 24, 2011 investors in the Company exercised 20,000 warrants at a price of $0.10 per warrant for cash proceeds of $2,000. The warrants had a maturity date of October 1, 2012.

On February 28, 2011 investors in the Company exercised 142,500 warrants at a price of $0.10 per warrant for cash proceeds of $4,250. The warrants had a maturity date of October 1, 2012.

On March 24, 2011, the Company issued 4,030,000 units of the Company ("Units") at a price of $0.15 per Unit for gross proceeds of up to $604,500 as part of a private placement which closed March 24, 2011. Each Unit consists of one flow through common share of the Company and one non flow through common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.25 per common share exercisable on or before March 31, 2013. The amount recorded to the share capital in the amount of $532,057 represents gross proceeds of $604,500 less share issue costs of $32,143 and flow through premium liability in the amount of $40,300. Share issue costs are comprised of issue costs which were settled by the issuance of 214,286 compensation units. Each compensation unit consists of one non flow through common share of the Company and one non flow through common share purchase warrant to purchase an additional non flow through common share at a price of $0.25 per common share exercisable on or before March 31, 2013.

On September 12, 2011 investors in the Company exercised 100,000 warrants at a price of $0.10 per warrant for cash proceeds of $10,000. The warrants had a maturity date of August 31, 2012.

GALAHAD OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at November 25, 2011, September 30, 2011 and December 31, 2010 is as follows:

	November 25, 2011	September 30, 2011	December 31, 2010
Common shares	51,422,860	51,422,860	38,957,760
Warrants	31,201,404	33,801,404	26,678,304
Compensation options	200,000	200,000	200,000
Stock options	5,125,000	5,125,000	3,700,500
Fully diluted shares outstanding	87,949,264	90,549,264	69,536,564

2011 Warrant and Stock Option info

In the first quarter of 2011 there were a total of 2,290,000 common share warrants exercised by investors in the Company. All of the warrants had an exercise price of $0.10 and maturity dates ranging from August 2012 to October 2012.

In February 2011, 25,000 options had been forfeited with an exercise price of $0.15

On February 28, 2011, 204,000 of the Company's warrants had expired unexercised. The warrants had an exercise price of $0.10 and a maturity date of October 1, 2012, however per the forced exercise provision the holders of the warrants had until February 28, 2011 to exercise their warrants.

On March 24, 2011 the Company announced that it has completed the private placement of 4,030,000 units of the Company ("Units") at a price of $0.15 per Unit. The units are comprised of one flow through common share and one non-flow through common share purchase warrant. Each whole warrant is exercisable at a price of $0.25 per common share from the date of issue up to and including March 31, 2013.

On May 1, 2011, 12,500 stock options previously issued to consultants of the Company on February 2, 2011, vested.

On June 19, 2011, 97,500 stock options expired unexercised with an exercise price of $1.50.

On September 12, 2011 investors in the Company exercised 100,000 warrants at a price of $0.10 per warrant for cash proceeds of $10,000. The warrants had a maturity date of August 31, 2012.

On September 11, 2011, the Board of Directors approved the grant of 400,000 stock options at a price of $0.14 expiring August 31, 2013 to investor relations of the Company.

On September 19, 2011, the Board of Directors approved the grant of 400,000 stock options at a price of $0.10 expiring August 31, 2016 to officers of the Company.

On October 1, 2011, 2,600,000 of the Company's warrants had expired unexercised. The warrants had an exercise price of $0.20 and a maturity date of October 1, 2011.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Corporation to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the consolidated financial statements are considered appropriate in the circumstances, but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

Exploration and evaluation costs – Exploration and evaluation costs of mineral exploration properties together with direct exploration and development expenditures are only capitalized when the Board of Directors is convinced that the Company has an economically feasible mineral reserve located on one of its exploration properties. Until that point all exploration and evaluation costs are expensed until an economically feasible reserve is identified.

Income taxes - The Corporation is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities based on the Corporation's current understanding of tax laws as applied to the Corporation's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense or development property and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Corporation's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Corporation's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Group's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities and provisions. It is management's opinion that the Group is not exposed to significant interest, currency or credit risk arising from these financial instruments.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Transactions with key management personnel

Key management of the company are members of the board of directors, the chief executive officer, and the chief financial officer. Key management remuneration includes the following:

	September 30, 2011	December 31, 2010
Short-term employee benefits		
Galahad compensation including bonuses (1)(2)(3) (4)(5)	$ 156,375	$ 114,895
Red Ore compensation including bonuses (1)(2)(3) (4)(5)	186,660	-
	$ 258,345	$ 114,895
Long-term employee benefits		
Galahad share based payments (1)	$ 130,072	$ 205,992
Red Ore share based payments (6)	86,700	-
	$ 216,772	205,992
Total remuneration	$ **475,117**	$ 320,887

During the year key management was granted share options with an exercise price of $0.15 and expiring January 2016. During 2011 key management did not exercise any shares options which were granted to them as part of the company's stock option plan.

(1) The Company and its subsidiaries have no employees. Compensation includes the Chief Executive and Chief Financial Officers fees and the Board of Directors. The Board of Directors for Galahad Metals Inc. and Red Ore Gold Inc. receives annual retainers of $6,000 per director and $3,000 per Committee Chairman. Directors are compensated with $250 per meeting from the Company. Key management are entitled to stock options for their services. Total retainers accrued to the Board of Directors for Galahad and Red Ore Gold Inc. for the nine month period ending September 30, 2011, was $33,000. Total Stock option compensation granted to key management for the nine month period ending September 30, 2011, was $130,072.

(2) The Company and its subsidiary Red Ore Gold Inc. have a management contract with Robin Dow, the Chairman and CEO of Galahad Metals Inc. and Red Ore Gold Inc., whereby the companies pay $5,000 a month for management fees. The amounts billed were based on normal market rates and amounted to $155,000.

(3) The Company and its subsidiary Red Ore Gold Inc. have a consulting contract with Sabino Di Paola, the CFO of Galahad Metals Inc. and Red Ore Gold Inc., whereby the company pays hourly compensation of $100/hour for services rendered as well related expenses. The amounts billed were based on normal market rates and amounted to $ 80,685.

(4) The Company has a consulting contract with Mike Zamora, the President of Galahad Metals Inc., whereby the company pays hourly compensation of $800/day for services rendered as well related expenses. The amounts billed were based on normal market rates and amounted to $ 4,335.

(5) Red Ore Gold Inc. has a consulting contract with Garry Smith, the VP of Exploration of Red Ore Gold Inc., whereby the company pays daily compensation of $700/day for services rendered as well related expenses. The amounts billed were based on normal market rates and amounted to $ 51,700.

(6) Red Ore Gold Inc. has a consulting contract with Paul Pitman, the President of Red Ore Gold Inc., whereby the company pays hourly compensation of $100/hour for services rendered as well related expenses. The amounts billed were based on normal market rates and amounted to $24,700.

(7) As of September 30, 2011, the Board of Directors of Red Ore Gold Inc. approved compensation common shares be issued to the Chief Executive Office, and the Chief Financial Officer. The Red Ore Gold Inc. will issue 170,000 common shares with an estimated value of $0.50 per common share. There were no warrants associated with the common shares. Total value of the compensation shares was $86,700.

<u>Transactions with related companies</u>

In 2011 Galahad shared office space Wedge Energy International Inc., Desiree Resources, Pueblo Lithium Inc. and Red Ore Gold Inc. All shared costs between Galahad Metals Inc. and Red Ore Gold Inc. have been eliminated upon consolidation. The Group has signed an agreement in which all shared costs are evenly allocated between the companies. For the period ended September 30, 2011, the Group incurred shared costs of $ 39,454 (December 31, 2010 - $12,415) with Pueblo Lithium Inc., Wedge Energy International Inc., and Desiree Resources Inc. At September 30, 2011, the Group has a receivable from Wedge Energy International Inc. of $15,552 (December 31, 2010 –$2,654), a receivable from Desiree Resources Inc. of $9,962 (December 31, 2010 – $1,460) and a receivable from Pueblo Lithium Inc. of $4,450 (December 31, 2010 – $ NIL).

As of September 1, 2010, Diamond International Exploration Inc. has moved its office out of Ottawa and into Vancouver as part of its continuation into British Columbia. As of September 1, 2010, Diamond International Exploration Inc. no longer shares costs with the Group. At September 30, 2011, the Group has a payable to Diamond International Exploration Inc. for shared costs of $ NIL (2010 – payable $ NIL).

CONTRACTUAL OBLIGATIONS

The Group does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments except for those related to property option agreements. Any commitments under exploration property option agreements are cancellable at the Group's option but would result in forfeiture of rights under those agreements. During 2011 and 2010, the Group had prepaid in advance for its operating lease for office premises.

OFF-BALANCE SHEET ARRANGEMENTS

The Group has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

BOARD PURPOSE AND FUNCTION

The Directors and management of the parent company have extensive experience operating in the Canada and the United States and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of four members.

Except as disclosed below the Group is not aware of any director, or of the families of any directors, having any interest, direct or indirect, in any transaction during the last financial year or in any proposed transaction with any company in the Group which has affected or will materially affect Group.

DIRECTORS AND OFFICERS, CHANGES

<u>GALAHAD</u>
On September 20, 2011, the Board of Directors of Galahad Metals Inc. appointed Mr. Michael J. Zamora as the new president. Michael Zamora's background includes a BSc Earth Science Major 1985; over 11 years experience as an Investment Advisor; Quality Manager achieving ISO9000 registration regarding three talc mining and processing facilities; Account Manager for an industrial water treatment company; Laboratory and Plant Supervisor regarding a proprietary PGM (platinum group metal) recovery process from automotive catalytic converter scrap; and Marketing and Sales Representative for a seismic data processing facility in Calgary. Michael Zamora compliments the Galahad Metals Inc. management team with his good knowledge of the securities industry, geology, geophysics, hydrometallurgy and process chemistry.

On October 3, 2011, the Board of Directors of Galahad Metals Inc. appointed Stephen Coates to the Board of Galahad. Stephen Coates is a founder and principal of Grove Capital Group, specializing in the incubation and development of new resource companies across the world. Mr.

Coates previously founded and served as CEO of TSX-listed Homeland Energy Group and having spent more than 12 years in the resource and financial industries. Mr. Coates is a graduate of Kings College at the University of Western Ontario in London, Canada. He also served two years with the Government of Ontario ending as Special Assistant to then Premier Mike Harris.

RED ORE GOLD

On January 13, 2011, the Red Ore Gold appointed Mr. Robin Dow, HBA, MBA, FCSI as Chief Executive Officer and Chairman of the Board of Directors. Mr. Dow has over 35 years experience in consulting to and in financing private and public corporations. Mr. Dow has raised over $150,000,000 in financing for various companies since 1988. Mr. Dow held various positions, including senior executive management, in the brokerage industry in Calgary from 1976 to 1988, when he started his first public company. He is, or has been, a director and/or officer of 12 public and two private companies since 1988. He is currently CEO of Galahad Metals Inc., and Desirée Resources Inc.

On January 13, 2011, the Red Ore Gold appointed Mr. Larry Hoover as a Director. Mr. Hoover is an analytical chemist, who spent much of his career applying that knowledge in the field of environmental monitoring, exposures, and the toxicology of contaminants. For the past 15 years, Mr. Hoover has provided research and analytical support to major organizations on a contract basis. Over the last half decade, Mr. Hoover has focused primarily on consulting for junior mineral explorers, providing diverse services including research and analysis, report generation, investor relations, and fund-raising assistance. He is also on the board of directors Desiree Resources Inc. and Galahad Metals Inc.

On January 13, 2011, the Red Ore Gold appointed Mr. Michael Newman as a Director. Mr. Newman has been the Chief Executive Officer of Caldera Geothermal Inc. since January 2010 and Managing Director of Adevam Investments Inc. since July 1997. Mr. Newman held the position of President and Chief Executive Officer of InterRent REIT, a publicly listed company on the Toronto Stock Exchange, from September 1997 to September 30, 2009 and a trustee from December 2006 to December 2009. Mr. Newman has been a director of SKOR Food Group Inc. (SKF-TSX.V) since August 1997. He also served as director of Lombardi Media Corp. (TSXV) from July 2002 to September 2007, Inspiration Mining Corporation (TSXV) from February 2004 to August 2009, Willowstar Capital Inc. (TSXV) from September 19, 2006 to November 1, 2007, Prime City One Capital Corp. (TSXV) from October 4, 2006 to August 2007, SelectCore Group Inc. (TSXV) from April 2004 to December 2008, Covalon Technologies Ltd. (TSXV) from December 2004 to April 2006, Titan Medical Inc. (TSXV) from April 2008 to May 2009, Pure Energy Visions Corporation (TSXV) from September 2006 to March 2007, Infolink Technologies Ltd. (TSXV) from July 1999 to November 2003, GolfNorth Properties Inc. (TSXV) from February 1998 to July 2002 and RYM Capital Corp. (TSXV) from June 2005 to November 2006. He is also on the board of directors Desiree Resources Inc. and Galahad Metals Inc.

On January 13, 2011, the Red Ore Gold appointed Mr. Sabino Di Paola, CA, as Chief Financial Officer. Mr. Di Paola is a Chartered Accountant in the Provinces of Quebec and Ontario and a member in good standing of The Quebec Order of Chartered Accountants as well as the Order of Chartered Accountants of Ontario. He has a wide variety of experience in computer systems and consulting, and has worked with international accounting firms performing engagements on both the public and private sector organizations. He is also a Chief Financial Officer with three other junior exploration companies.

On February 22, 2011, the Red Ore Gold appointed Robert Schellenberg, CPA as a Director. Mr. Schellenberg is a CPA and attorney practicing as a CPA in Grand Rapids Michigan. He is an owner of the CPA firm Schellenberg & Evers PC. The firm specializes in taxation, litigation support, resource consulting and film production audits for films produced in Michigan. He is also on the board of directors of Cabo Drilling, Desiree Resources Inc. and Galahad Metals Inc. He is a graduate of Hope College and Valparaiso University Law School.

On March 17, 2011, the Red Ore Gold appointed its VP of exploration, Mr. Garry K Smith, P.Geo. Mr. Smith has provided geological exploration services to numerous exploration and mining companies for over 25 years and has served as a consultant to boards and held VP Exploration positions. A notable milestone for Mr. Smith was making the initial discovery of the Hemlo world class gold mine for Lac Minerals. He is a registered geologist providing Qualified Person (QP) geoscience consulting services primarily in the US and Canada on Gold, VMS Base-Metal, Mo, U, Ga, Fe-Ti and REE mineral exploration and development projects. Specialty expertise in 43-101 compliant project management and reporting, computer-based 3D geological modelling and compilation, and MMI soil geochemistry.

On March 17, 2011, the Red Ore Gold appointed its president, Mr. Paul Pitman, B. Sc. (Geo), P. Geo. Mr. Pitman has over 40 years of continuous experience as an exploration geologist. From 1969 to 1983 he has been involved with three major mining companies, Gulf Minerals, Union Miniere of Belgium, and BP Resources Canada involved in the exploration of a number of commodities including gold and silver. Since 1983 he has acted as a Director and/or Officer of Ure-Energy Inc., Aura Silver Resources Inc., Patrician Diamonds, Nuinsco Resources ltd, Coniagas Resources Limited, and Yukon Gold Inc. Mr. Pitman is a registered professional geologist in Ontario.

On October 6, 2011, the Board of Directors of Galahad Metals Inc. appointed Mr. Michael J. Zamora as the new president replacing Paul Pitman. Michael Zamora's background includes a BSc Earth Science Major 1985; over 11 years experience as an Investment Advisor; Quality Manager achieving ISO9000 registration regarding three talc mining and processing facilities; Account Manager for an industrial water treatment company; Laboratory and Plant Supervisor regarding a proprietary PGM (platinum group metal) recovery process from automotive catalytic converter scrap; and Marketing and Sales Representative for a seismic data processing facility in Calgary. Michael Zamora compliments the Galahad Metals Inc. management team with his good knowledge of the securities industry, geology, geophysics, hydrometallurgy and process chemistry.

QUALIFIED PERSON

The Group relies on Paul Pitman, P. GEO, and Martin Bourgoin, P. GEO as the Qualified Persons as defined under National Instruments 43-101. Mr. Pitman and Mr. Bourgoin have read and approved the technical information contained in this MD&A. Disclosure on mineralization on properties has not been verified by Mr. Pitman nor Mr. Bourgoin and is not necessarily indicative of the Group's anticipated resulted. Where provided, potential quantity and grade is conceptual in nature as the Company has not conducted sufficient exploration to define resources and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

INVESTOR RELATIONS

<u>Trident Financial Corp.</u>
Trident Financial Corp. ("Trident") to provide investor relations and corporate communications services. Trident is a Vancouver-based company headed by Robert Riley, a former investment adviser with 17 years of experience in the venture capital markets, and will be responsible for designing and implementing a comprehensive marketing and shareholder communications plan.

The investor relations agreement between Galahad and Trident has a term of 12 months, unless terminated earlier as provided in the agreement, and provides for a monthly fee of $7,500 to Trident. The agreement also provides for the grant of 400,000 incentive stock options to Trident at an exercise price of $0.14 per share exercisable for a period of one year, and vesting as to 25% each quarter.

<u>Pearl Communication</u>
On March 1, 2010 Galahad has renewed its contract with Pearl Communications for an additional year. Pearl Communications is paid a monthly fee of $2,500 and will be reimbursed reasonable expenses up to $1,000 per month. As at the date of the MD&A, Pearl Communications has received 200,000 stock options in the Company. Of these 150,000 stock options have an exercise price of $0.10, with 25,000 expiring in December 2015, 25,000 options expiring January 2019 and 100,000 expiring in March 2015. The remaining 50,000 stock options have an exercise price of $0.15 and expire on February 2, 2016

Pearl Communications will be responsible for assisting the Chief Executive Officer with shareholder and investor communications. The objective will be to create effective communication between the Company, its shareholders and the investment community.

Red Ore Gold and Bottle Creek Exploration LLC currently do not have an external investor relations firm.

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, the Group is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Currently, there are no material transactions being pursued or negotiated by the Group that is not otherwise disclosed herein.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general, and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved.

<u>Exploration Stage Company</u>
The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits, with the discovery of gold being the Company's focus. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be

dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that any of the Company's property interests can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time of which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Economic Risk

The price of gold and other minerals fluctuate. The future direction of the price of any mineral will depend on numerous factors beyond the Company’s control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of minerals, and therefore on the economic viability of the Company’s properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of gold.

Management

Dependence on Key Personnel, Contractors and Service Providers Shareholders of our Company rely on the good faith, experience and judgment of the Company’s management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Industry Conditions

The exploration and development of mineral deposits involve significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends 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 mineral prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Value of Our Common Shares

The value of the Company’s common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company’s operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Title to Property

Although the Company has obtained title opinions with respect to certain of its properties and has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Uninsured Hazards

The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain directors of the Company also serve as directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its mining activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

Land Claims

At the present time, none of the properties in which the Company has an interest or an option to acquire an interest is the subject of an aboriginal land claim. However, no assurance can be provided that such will not be the case in the future.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

Mineral Price Fluctuations

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

Operating in Foreign Jurisdictions
The Company operates in the United States of America and as a result is exposed to a level of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in a foreign country in which it operates may adversely affect business operations.

OTHER INFORMATION

Other information and additional disclosure of the Group's technical reports, material change reports, new releases, and other information may be found on the SEDAR website at www.SEDAR.com.

CORPORATE INFORMATION

Galahad Directors and Officers
Robin Dow, HBA, MBA, FCSI – Chairman, CEO and Director
Sabino Di Paola, CA – CFO
Michael Zamora - President
Stephen Coates - Director
Kevin Rivers – Director
Michael Newman – Director
Larry Hoover - Director
Robert Schellenberg, CPA - Director

Red Ore Gold Directors and Officers
Robin Dow, HBA, MBA, FCSI – Chairman, CEO and Director
Sabino Di Paola, CA – CFO
Michael Zamora - President
Michael Newman – Director
Larry Hoover - Director
Robert Schellenberg, CPA - Director

Bottle Creek Exploration LLC
Jeffrey Abbott - Manager

Galahad Metals Inc. Corporate Office
2746 St. Joseph Blvd. Suite 100, Orleans, Ontario, K1C 1G5
1-613-834-7708

Red Ore Gold Inc. Corporate Office
3643 Marine Drive, West Vancouver, British Columbia, V7V 1N3
1-613-834-7708

Company Web Sites
www.galahadmetals.ca
redoregold.com

Trading Symbol
TSX-V: GAX

Independent Auditor
BDO Canada LLP

Corporate Banker
Royal Bank of Canada, Ottawa

Transfer Agent
Capital Transfer Agency Inc., Toronto