Management's Discussion and Analysis

(Formerly Gold Hawk Resources Inc.)

Contents

The following management's discussion and analysis of financial conditions and results of operations (the "MD&A"), has been prepared by management and provides a review of the activities, results of operations and financial condition of Oracle Mining Corp. (the "Company" or "Oracle Mining"). This discussion dated March 28, 2012 complements and supplements the Company's audited consolidated financial statements and associated notes for the years ended December 31, 2011 and 2010. Please also refer to the cautionary statement of forward-looking information at the end of this document.

All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") and reported in United States dollars unless otherwise noted. Previously, the Company prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company's 2010 comparatives in this MD&A have been restated and presented in accordance with IFRS. As the Company's transition date was January 1, 2010, 2009 comparative information included in this MD&A has not been restated. Further details on the conversion to IFRS are provided in this MD&A and in the notes to the Company's audited consolidated financial statements for the years ended December 31, 2011 and 2010.

Additional information about the Company, including the Company's annual information form dated September 19, 2011, is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.oracleminingcorp.com.

1. COMPANY OVERVIEW

Oracle Mining is a development stage company incorporated under the Canada Business Corporations Act (the "CBCA"), and a reporting issuer under the jurisdiction of British Columbia, and it is listed on the Toronto Stock Exchange under the trading symbol OMN. The Company is involved in the acquisition, exploration, development and exploitation of mineral resource projects.

In the third quarter of 2010, the Company acquired the Oracle Ridge copper project located in Arizona, USA. The Company has made significant steps in the project's development process, including progress on the National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") validation drilling program and preparation of an economic design and feasibility study, obtaining regulatory permits, rehabilitating the mine and obtaining mining equipment.

The Company also owns a 640 hectare mining concession at the Barry-Souart property northeast of Val d'Or in the Province of Quebec.

2. ORACLE RIDGE MINE DEVELOPMENT

The 100% owned Oracle Ridge copper project is located in the Santa Catalina Mountains northeast of Tucson, Arizona, and is the site of the previously operated Oracle Ridge Copper Mine. The necessary mineral rights have been secured by way of purchase and by the lease of 903 acres of adjacent property surface rights. In addition, the Company has acquired 353 acres of existing tailings and adjacent property that it intends to use as its tailings facility upon re-start of mining operations.

NI 43-101 Validation Drilling Program – Phase I Surface Drilling

The Phase I surface drill program, which began in mid-February 2011, was for an initial 15,000 feet designed to validate the existing drill-hole data. A total of 29 holes were completed in 2011 for a total of 25,540 feet. As at December 31, 2011, three drill rigs were operating on the surface of the Oracle Ridge property.

The Company intends to use the Phase I surface program drill core assay results to verify the historic data and to complete a new technical report on reserves and resources that is compliant with NI 43-101, which the Company expects will be competed in or about the end of the second quarter of 2012. The Company is in possession of a historic database on the mine consisting of 534 drill holes totaling more than 163,000 feet of drilling. The available historic drill core samples stored on site appear to be in good condition and have been catalogued and logged. Ten historic drill hole cores were selected and re-assayed as part of the of the resource validation process under the Phase I surface drilling program.

The Oracle Ridge mine hosts at least twelve known zones containing multiple beds of primary copper skarn mineralization. During previous operations, gold and silver were produced at the mine as by-products. Given current precious metal prices, the Company believes that a silver/gold credit could enhance project economics. The Company has undertaken detailed metallurgy studies as part of the engineering and design studies.

Historically, there have been a number of resource and reserve estimates available for the Oracle Ridge property that were made by previous owners of the Oracle Ridge property or their consultants. A 1995 feasibility study done by Western States Engineering for Oracle Ridge Mining Partners, the former operators of the mine, envisioned a 2,000 tons-per-day processing plant and mine plan for an ore body containing 8.8 million tons grading 2.3% copper diluted, in all categories. This mine plan conformed to United States Securities and Exchange Commission mining reserve definitions in existence at that time. Readers are cautioned that the foregoing estimate is not in compliance with NI 43-101, is cited for historical purposes only and should not be relied upon until sufficient confirmatory work is completed. The Company believes, however, that the historical resource estimates reported above are material as they provide an indication of the potential of the Oracle Ridge property and are therefore relevant to future exploration.

Drill Program Results

To date, the Company has drilled a total of 33,510 feet through 41 diamond drill holes from surface under the Phase I confirmation drill program. The Company has received and released assay results from 29 holes to date.

Skyline Assayer and Laboratories ("Skyline Labs"), an accredited laboratory in Tucson, Arizona, is contracted to complete all sample preparation and assaying. Assay results from 19 of the drill holes under the Phase I surface drilling program were completed by the end of 2011. The assay results to date are consistent with historic data. The Company is analyzing the samples for a full suite of elements and has identified silver, gold and iron as likely by-products that could provide additional project economic value. A more detailed evaluation of this potential is planned to be conducted as the Oracle Ridge project progresses.

The Company is also rehabilitating the former workings, which includes the installation of ventilation equipment and securing the underground mine in accordance with federal Mine Safety and Health Administration ("MSHA") standards, in order to be able to start underground drilling at the mine, which the Company expects to commence in the second quarter of 2012.

Metallurgical Testing

In 2011, metallurgical testing was conducted on drill hole samples collected from the first 4 holes drilled under the Phase I surface drill program and bulk chip samples collected from underground workings. Samples were collected in July 2011 and shipped to Phillips Enterprises LLC, in Golden, Colorado for testing under the supervision of Lyntek, Inc. ("Lyntek"). Metallurgical testing began in August 2011 with the completion of comminution studies. The Bond ball mill work index determinations ranged from 9.09 to 11.63 kw-hr/st and sizing evaluation for a semi-autogenous grinding ("SAG") mill grinding was designated as average. Samples tested demonstrated an average hardness and resistance to grinding, typical of copper ores.

Flotation testing was conducted on 8 composites made up of the assay pulps from early diamond drill holes 2011-016, 2011-039, 2011-051 and 2011-071. Grind/recovery tests were completed and indicated a p80 of 150 mesh (106 micron) was suitable for optimum rougher flotation recovery.

Rougher flotation concentrates with grades of greater than 25% copper and greater than 90% copper recovery were produced during the studies. Recovery of gold and silver values in the individual composites at times exceeded 90%, but averaged about 80% to 85% each. Settling and filtration studies conducted on flotation concentrates and tailing products demonstrated that low moisture contents of 7.6% to 8.5% could be obtained on concentrates, and of 10.5% to 11.1% on tailing materials by pressure filtration of settled and thickened material.

Process Plant Design and Tailings Impoundment Activities

Engineering and design work for environmental permitting purposes was ongoing throughout 2011. Much of the design work in support of county and state permits was completed by December 2011. The plant design is based on a 2,000 tons-per-day processing plant and related facilities and envisions a dry stack tailings impoundment, wastewater treatment plant, office and dry facilities, conveyance corridor designs and project access.

The process flowsheet design was established from Phase I surface drilling metallurgical test work in 2011. The process will utilize a SAG/Ball Mill grinding circuit followed by flash and conventional froth flotation for recovery of copper and precious metals. The tailings will be thickened and filtered for dry stack placement. The copper concentrate will be thickened and filtered for transport. Preliminary production estimates indicate that 140 tons of high-grade copper concentrate will be produced on a daily basis.

The ten million ton dry stack tailings impoundment facility design is complete. Final construction drawings are scheduled to be completed upon issuance of the amended State Aquifer Protection Permit, currently slated for 2012. The tailings impoundment area is planned as a lined facility and is designed for zero discharge and concurrent staged reclamation for the life of the Oracle Ridge Mine.

Mine and Surface Activities

Activities at the Oracle Ridge Mine in 2011 primarily involved securing the existing underground mine for safe access in preparation of underground diamond drilling activities slated for the second quarter of 2012. This work is scheduled to continue through 2012 to provide safe access for underground diamond drilling scheduled for the second quarter of 2012. A ventilation plan for the mine was developed to support the diamond drill program, with ventilation fan and electrical equipment purchased for this purpose in December 2011.

Surface activities included improving and maintaining onsite mine roads, preparing drill sites and supplying water for surface diamond drilling, retrofitting the existing maintenance building into a core logging and storage facility. In addition to continuing environmental baseline studies, completion of new monitoring wells and water wells were completed in 2011.

Power

The Company reviewed a number of power alternatives for the Oracle Ridge Mine in 2011. In this regard, it had studies conducted on solar, natural gas, diesel and electrical grid power. Based on these, the Company believes that the preferred power alternative for the mine is to connect to grid power from the town of San Manuel, located approximately 19 kilometers north of the Oracle Ridge property. It is currently expected that the Oracle Ridge project will require a total of 7.5 megawatts of electricity capacity for all mining and processing operations needs.

The Company has engaged Trico Electric Cooperative, in conjunction with the Arizona Public Service, to review the proposed alignment and installation details for the Oracle Ridge project. The review is currently in the preliminary design phase.

Permitting and Regulatory Programs

In 2011, in anticipation of submitting permit applications in 2012, the Company initiated a number of baseline environmental studies including, biological, archaeological, hydrological and storm water characterization, waste rock and tailings characterization, air quality analysis and wetlands analysis.

In compliance with the National Environmental Policy Act ("NEPA"), the Company anticipates a NEPA review of the Oracle Ridge project and is preparing an environmental information document for submission with applicable permit applications.

Qualified Person

The technical information in this MD&A has been prepared in accordance with Canadian regulatory requirements set out in NI 43-101 and reviewed by Glenn R. Clark, P.Eng. of Glenn R. Clark & Associates Limited, and John I. Kyle, P.Eng. of Lyntek, Inc. both consultants for Oracle Mining and Qualified Persons under NI 43-101, who are responsible for the technical information reported herein.

3. REVIEW OF FINANCIAL RESULTS

Selected Annual Information

In thousands of US Dollars except for per share amounts	**2011**	**2010**	**2009**
Net income (loss) income	(16,040)	(1,184)	8,978
Basic and diluted (loss) gain per share	*(0.51)*	*(0.07)*	*0.76*
Total assets	30,872	46,498	17,396
Total Liabilities	4,710	5,624	500

For the year ended December 31, 2011, the Company had a net loss of $16.0 million compared to net loss of $1.2 million in the 2010 comparative period. Net loss in the comparative period was primarily offset by gains of $4.7 million arising from the sale of investments. Net loss in the current period is primarily due to exploration and evaluation expenditures of $10.1 million at the Oracle Ridge copper project and $5.7 million in general and administrative costs.

The increase in general and administrative expenses of $1.1 million for the current year compared to the equivalent 2010 period consisted of increased professional and consulting fees of $0.5 million, increased investor relations costs of $0.4 million, and increased office expenses of $0.2 million.

Exploration and evaluation expenditures for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
	$	$
Design and technical studies	**1,196**	70
Permitting costs	**2,870**	134
Site and safety services	**1,216**	101
Drilling	**3,151**	26
Site and advisory costs	**1,456**	302
Underground exploration and development	**238**	-
	10,127	633

As at December 31, 2011, total assets were $30.9 million compared to $46.5 million as at December 31, 2010. The difference resulted from increased expenditures relating to the ongoing development of the Oracle Ridge copper project, including the exploration program, technical studies and permitting activities.

As at December 31, 2011, total liabilities were $4.7 million compared to $5.6 million as at December 31, 2010. They primarily consist of liabilities assumed on the acquisition of the Oracle Ridge copper project, which includes promissory notes payable of approximately $2.8 million. In January 2011, the Company settled the total liability outstanding for the purchase of land adjacent to the Oracle Ridge copper property for $0.6 million.

During the year, the Company settled $1.0 million owing on its promissory notes payable.

Summary of Quarterly Results

The following table presents our quarterly results of operations for each of the last eight quarters.

In thousands of US Dollars except for per share amounts	**Dec 31, 2011**	**Sept 30, 2011**	**Jun 30, 2011**	**Mar 31, 2011**	**Dec 31, 2010**	**Sep 30, 2010**	**Jun 30, 2010**	**Mar 31, 2010**
Interest income	26	18	26	12	23	16	12	12
Net income (loss)	(5,273)	(3,218)	(3,621)	(3,928)	(1,664)	1,674	(1,986)	793
Basic and diluted gain (loss) per share	(0.17)	(0.10)	(0.12)	(0.13)	(0.02)	0.13	(0.15)	0.06

For the three months ended December 31, 2011, the Company had a net loss of $5.3 million compared to net loss of $3.2 million in the three months ended September 30, 2011. The increase in net loss compared to the prior quarter is primarily due to an increase of $1.1 million in exploration and evaluation expenditures and a $0.3 million increase in general and administrative costs during the fourth quarter.

The increase in exploration and evaluation expenditures is primarily due to an increase of $0.3 million in permitting costs, an increase in drilling costs of $0.4 million, and an increase of $0.2 million in underground exploration and development.

The increase in general and administrative costs is primarily due to an increase of $0.2 million in investor relation costs and $0.1 million in professional and consulting fees.

4. OUTLOOK

Major steps in the Company's development process include progress in the preparation of a NI 43-101 compliant report outlining reserves and resources, preparation of an economic design and feasibility study, obtaining regulatory permits and approvals for operation, rehabilitating the mine, constructing processing facilities and obtaining mining equipment. As well, the Company must secure such debt and/or equity financing as necessary to reach commercial production status subsequent to the receipt of all necessary permits and, in particular, a positive feasibility study.

The first of these steps, the Aquifer Protection Permit, was transferred to the Company on July 26, 2011. This permit as transferred required amendment in light of design work being prepared by engineering consultants to the Company. An application to amend the existing APP has been has been submitted to the Arizona Department of Environmental Quality (ADEQ) and is currently being reviewed under the expedited review program. Pending review the Company expects the amended permit to be issued in the second quarter of 2012. In addition to the APP the Company has submitted an application for the Air Quality Permit to Pima County and expects a favorable decision in the second quarter of 2012. The Company also anticipates submitting applications for Rights-of-Way, Storm Water Discharge and 404 Wetlands permits in 2012.

The confirmation drill program at the Oracle Ridge copper project has completed 41 holes to date, with assay results received and reported for 29 holes. To date, the results compare favourably with the historic assays and are within expectations. The Company is now making preparations to begin the underground drilling in anticipation of producing a NI 43-101 compliant report on reserves and resources referred to above. Pending the results of the confirmatory drill program the Company may extend exploration drilling into such areas of the project as are deemed appropriate in an attempt to expand the historically reported resource.

5. RISKS AND UNCERTAINTIES

For a comprehensive discussion of risk factors, readers are referred to the Company's 2010 annual information form dated September 19, 2011, available on SEDAR at www.sedar.com, and the Company's 2011 annual information form which will be available on SEDAR in due course. Those as well as the following additional risks may impact the business of the Company.

Continuing operations

At December 31, 2011, the Company had cash and cash equivalents of $7.9 million, working capital of $6.0 million, and long-term debt of $1.1 million. Future financial needs and the continuity of the entity as a going concern will be dependent on the Company's ability to raise sufficient capital and develop the Oracle Ridge copper property into a profitable operating mine.

Subsequent to year-end, the Company completed a private placement for 7,800,000 common shares of the Company at a subscription price of C$1.25 per share raising gross proceeds of C$9.75 million. The Company's current working capital is sufficient to meet operating requirements for the next 12 months, however, the Company will require significant funding in the future to complete development of the Oracle Ridge copper project.

Industry and economic factors affecting the Company's performance

a) Exploration, development and operating risks

The Oracle Ridge property is subject to all the hazards and risks normally encountered in the exploration, development and production of copper and other base or precious metals, including, without limitation, encountering unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and metal recovery, periodic interruptions due to inclement or hazardous weather condition, seismic activity, rock bursts, pit-wall failures, cave-ins, encountering unanticipated ground or water conditions, flooding, fire, and other conditions involved in the drilling, removal of material, environmental hazards, discharge of pollutants or hazardous chemicals, industrial accidents, failure of processing and mining equipment, labour disputes, supply problems and delays and changes in the regulatory environment any of which could result in damage to, or destruction of, mineral properties, mines and other producing facilities, damage to life or property, personal injury or death, loss of key employees, environmental damage, delays in the Company's exploration and development activities, monetary losses and legal liabilities.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs.

b) Titles to property

Although the Company believes that it has taken reasonable measures to ensure proper title to its interests in its properties, including the Oracle Ridge property, there is no guarantee that title to any such properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including aboriginal land claims, and title may be affected by, among other things, undetected defects.

c) Permits and licenses

The Company's existing and future operations may require permits from various governmental authorities and such operations are, and will be, governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of the Company's properties.

d) Metal prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals such as copper. Metal prices are volatile and have historically fluctuated widely and are affected by numerous factors beyond the Company's control. These factors may affect the price of base and precious metals, and, therefore, the economic viability of any of the Company's future exploration projects cannot accurately be predicted. Depending on the price of copper, the Company could be forced to discontinue exploration or development activities and may lose its interest in, or may be forced to sell, the Oracle Ridge project. There is no assurance that, even as commercial quantities of copper and other base metals are produced, a profitable market will exist for them.

e) Competition

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop mining properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

f) Environmental regulation

Environmental laws and regulations may affect the Company's operations. These laws and regulations set various standards regulating certain aspects of health and environmental quality. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties (whether or not known to the Company) or noncompliance with environmental laws or regulations. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive. There can be no assurance that future changes in environmental regulations will not adversely affect the Company’s business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on the Company's business.

g) No revenue or commercial production

As of the date hereof, the Company has not recorded any revenues, other than interest income and investment income. The Company has not commenced commercial production on any of its mineral resource properties. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in the future as consultants, personnel and equipment costs associated with advancing exploration, development and commercial production of its properties increase. There can be no assurance that the Company will generate any revenues or achieve profitability.

h) Government regulation

The Company's operations and exploration and development activities are subject to extensive federal, state, provincial, territorial and local laws and regulations governing various matters, including: environmental protection; management and use of toxic substances and explosives; management of tailings and other wastes generated by operations; management of natural resources; exploration and development of mines, production and post-closure reclamation; exports; price controls; taxation and mining royalties; regulations concerning business dealings with aboriginal groups; labour standards and occupational health and safety, including mine safety; and historic and cultural preservation.

i) Uninsured hazards

In the course of exploration, development and production of the Company's properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Such occurrences could result in damage to mineral properties or facilities thereon, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increased costs and a decline in the value of the Company's securities.

j) Future financing

The advancement, exploration and development of the Oracle Ridge property (or any other property that the Company may acquire, explore and/or develop), and the construction of mining facilities and commencement of mining operations, if any, will require substantial additional financing in the future. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Further, sales of a significant number of the Company's common shares could materially and adversely affect the market price of the common shares and impair the Company's ability to raise capital through the sale of additional equity securities.

k) Dependence on key management personnel, employees and consultants

The Company's success is and/or will be dependent on a relatively small number of key management personnel, employees and consultants. The Company faces intense competition for qualified personnel, and there can be no assurance that it will be able to attract and retain such personnel. If it is unable to attract or retain qualified personnel as required, the Company may not be able to adequately manage and implement its business plan.

l) Conflicts of interest

The Company is dependent on certain directors and officers who are, and may in the future be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are or may be the Company's potential competitors. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the Company's interests. Each director and officer is required to declare and, in the case of directors, to refrain from voting on, any matter in which such director or officer may have a conflict of interest.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company’s consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern. The Company’s future liquidity will depend upon its ability to develop and finance future profitable business opportunities.

				As at	
In thousands of US$	**Dec 31, 2011**	**Sept 30, 2011**	**June 30, 2011**	**Mar 31, 2011**	**Dec 31, 2010**
Cash and cash equivalents	$ 7,942	$ 13,146	$ 17,816	$ 21,769	$ 25,406
Working capital	6,000	11,876	16,482	20,115	22,624

Cash and cash equivalents as at December 31, 2011 were $7.9 million compared to $25.4 million as at December 31, 2010. Working capital was $6.0 million as at December 31, 2011, compared to working capital of $22.6 million as at December 31, 2010. The decrease in both cash on hand and working capital was primarily due to funding the development activities at the Oracle Ridge copper project.

Cash on hand as at March 28, 2012 is sufficient to fund operations for the next 12 months or until it commences development and construction activities. Once development and construction commence, significant additional funding will be required.

Financing activities

During the year ended December 31, 2011, the Company paid $1.0 million of principal owing under the promissory notes. The Company received gross proceeds of C$0.3 million upon the exercise of options and warrants during the year. In the prior year, the Company received net proceeds of C$7.0 million from a private placement in November 2010 and received proceeds of C$1.3 million from exercised options and warrants during the year. The Company also paid $1.0 million in principal owing under the promissory notes in 2010.

Investing activities

During the year ended December 31, 2011, the Company invested approximately $0.7 million in plant and equipment. Expenditures in the current year were mainly attributable to the purchase of site equipment of $0.3 million and drilling equipment of $0.4 million. The Company did not have any significant investment in plant and equipment in the prior year.

During the year ended December 31, 2011, the Company paid $0.6 million for property adjacent to the Oracle Ridge copper project. The Company intends to use this property as a future dry stack tailings facility, subject to the necessary permits. In addition, the Company entered into a lease agreement for additional land adjacent to the project and intends to use this land for the same purpose. The lease is for a term of 15 years, with two additional five year renewal terms, with annual payments of $19,200. The Company paid an initial non-refundable payment of $57,600 upon execution of the lease.

In June, the Company entered into an option agreement to acquire a 100% interest in a mineral property in Colorado. Under the terms of the agreement, the Company made a cash payment of $25,000 upon signing of the agreement and is required to make the following payments to keep the option in good standing: a cash payment of $20,000 on or before June 29, 2012, a cash payment of $20,000 on or before June 29, 2013, and a cash payment of $500,000 on or before June 29, 2014.

During the year ended December 31, 2011, the Company received net proceeds of $32,000 from the sale of marketable securities. In the prior year, the Company received net proceeds of approximately $4.4 million on the sale of the Company's remaining 15% interest in the operating subsidiary of the Coricancha Mine in Peru, resulting in a gain of $1,778,000. In 2010, the Company also sold its remaining marketable investments for total net proceeds of $2.9 million.

Contingencies, commitments and liabilities

As at December 31, 2011 the anticipated cash payments required to satisfy the Company's commitments and liabilities are as follows:

In thousands of US$	Total	Less than 1 year	1 - 5 years	After 5 years
Accounts payable and accrued liabilities	$ 1,365	$ 1,365	-	-
Notes payable	2,865	1,758	1,107	-
Reclamation Provision	328	-	-	328
Other long term liability	295	-	295	-
Other lease commitments	546	272	159	115
Total	**$ 5,399**	**$ 3,395**	**$ 1,561**	**$ 443**

Promissory Notes Payable

As part of the acquisition of Oracle Ridge, the Company assumed promissory notes payable in US dollars that were secured by the Oracle Ridge copper property. The schedule of the US dollar principal payment amounts and maturity dates of the notes as at December 31, 2011 are as follows:

Principal (US$)	Maturity date
$500,000	April 27, 2012[1]
$806,500	October 21, 2012[1]
$1,000,000	October 21, 2013[2]
$2,306,500	

[1] The notes bear interest until repaid at 8% per annum and interest is not payable until October 21, 2012.
[2] The note bears interest at 8% per annum and the interest is payable when the note comes due on October 21, 2013.

As part of the acquisition of Oracle Ridge, the Company assumed an obligation to construct a roadway on the property and committed to spend a minimum amount of $0.5 million in the realization of this project. The terms of the obligation state that if the Company were unable to complete the construction of the road by June 2011, the Company would be liable for the $0.5 million and this amount will be added to the principal of the Company's 2013 promissory notes payable and will come due in October 2013. As the Company did not complete the construction of the road, the liability has been added to the October 21, 2013 promissory notes. Interest of 8% per annum on the note started to accrue on June 30, 2011 and is payable when the note comes due in October 2013.

Oracle Ridge

As part of the share purchase agreement for Oracle Ridge, there is a clause whereby if the seller of Oracle Ridge is required to pay U.S. federal capital tax at a higher rate than 15%, the Company is required to offset the cost of the additional tax up to the equivalent of a U.S. federal capital tax rate of 25%, or US$470,800. U.S. federal capital tax rates have been frozen at 15% through December 31, 2012; therefore no additional taxes will be owed by the seller on the 2012 promissory notes payable. It is uncertain as to whether U.S. federal capital taxes will be raised in 2013 and therefore any additional consideration in relation to the 2013 notes is not determinable at this time.

Off-Balance Sheet Arrangements

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

Subsequent Events

On February 28, 2012, the Company completed a private placement for 7,800,000 common shares of the Company at a subscription price of C$1.25 per share raising gross proceeds of C$9.75 million. In connection with this private placement, the Company engaged a finder and paid the finder a cash finder's fee equal to 6% of gross proceeds raised from the placement.

On March 12, 2012, the Company announced that it had entered into a non-binding, indicative term sheet for project financing with Credit Suisse AG ("Credit Suisse") for a secured term loan of up to $70 million in order to advance the Oracle Ridge Mine development. The project financing remains subject to a number of conditions, including due diligence and the receipt of internal credit committee approvals by Credit Suisse, and the negotiation and execution of definitive documentation.

Proposed Transactions

As is typical of the mineral exploration and development industry, Oracle Mining is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, other current liabilities, promissory notes payable and other long-term liabilities. The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are interest rate risk, foreign currency risk, credit risk and liquidity risk.

In management's opinion, the Company is not exposed to significant interest rate or credit risk arising from these financial instruments. The Company is exposed to foreign currency risk through its cash and cash equivalents, other receivables and accounts payable denominated in Canadian dollars. As a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates. At December 31, 2011, with other variables unchanged, a 10% change in the US dollar/Canadian dollar exchange rate would impact pre-tax earnings by $1.6 million for the year ended December 31, 2011.

Transactions with Related Parties

During the year ended December 31, 2011, the Company paid $0.6 (2010 - $0.1 million) in advisory fees to directors of the Company.

These transactions were incurred in the normal course of business and are measured at the exchange amount which was the consideration established and agreed to by the related parties.

Compensation of key management personnel

During the year-end December 31, 2011, the Company paid salaries to key members of management and director’s fees of $1.4 million (2010 - $1.0 million). In addition, the Company made share-based payments to the same individuals for the year of $0.7 million (2010 - $0.9 million).

Capitalization

As at March 28, 2012, the Company had the following issued and outstanding common shares and unexercised stock options and warrants:

	Shares and Potential Shares
Common shares outstanding	39,234,070
Stock options (average exercise price $1.51)	3,869,000
Total common shares and potential common shares	43,103,070

7. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2011 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. On June 30, 2011, the former CEO of the Company, Kevin Drover, retired and a director of the Company, Paul Eagland, was appointed until such time as a replacement was found. Subsequent to year-end, Paul Eagland resigned as CEO and Doug Nicholson, the Company's COO, was appointed as the new CEO.

Subsequent to year-end, the Company graduated to the Toronto Stock Exchange and is currently in the process of implementing NI 52-109 compliant controls over financial reporting.

8. CRITICAL JUDGEMENTS AND ESTIMATES

The consolidated financial statements are prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (see below), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, the determination of functional currency for the Company and its subsidiaries, the determination that the acquisition of the Oracle Ridge project represents an acquisition of an asset rather than a business combination and the assumption that the Company will continue as a going concern.

Certain of our accounting policies are recognized as critical because they require management to make estimates and assumptions about matters that are inherently uncertain. Our critical accounting policies and estimates relate to:

- The recoverability of amounts receivable and prepayments;
- Impairment of non-financial assets;
- The estimated fair value of short-term investments;
- The estimated useful lives of property, plant and equipment and the related depreciation;
- The inputs used in accounting for share-based compensation expense; and
- Accrued and contingent liabilities.

For a summary of significant accounting policies, please refer to Note 2 of the consolidated financial statements.

Management believes it has made estimates that best reflect the facts and circumstances, however, actual results may differ from estimates.

9. TRANSITION TO IFRS

IFRS represents standards and interpretations approved by the International Accounting Standards Board ("IASB"), and are comprised of IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs") or the former Standing Interpretations committee ("SICs").

Effective January 1, 2011, the Company prepares its financial statements in accordance with IFRS. The comparative financial information of 2010 in the MD&A has also been restated to conform with IFRS. This MD&A should be read in conjunction with Note 21 "Transition to International Financial Reporting Standards" of the Company's consolidated financial statements for the year ended December 31, 2011.

To transition from Canadian GAAP to IFRS, the main adjustments include:

a) Share-based payments: Under Canadian GAAP the Company's policy was to calculate the fair value of stock-based awards with graded vesting as one grant and the resulting fair value is recognized on a straight-line basis over the vesting period. With IFRS each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches.

b) Available-for-sale investment: On November 12, 2009, the Company ceased to control its former Peruvian subsidiary, Compania Minera San Juan ("CMSJ") as a result of the dilution of its controlling interest by a third party. The Company's remaining interest in CMSJ at December 31, 2010 is 15%. Under Canadian GAAP available-for-sale ("AFS") investments are recorded at cost unless the AFS equity instrument was quoted in an active market. The investment in CMSJ was recorded at its cost of $nil at January 1, 2010. IFRS requires such investments to be measured at fair value unless fair value is not reliably measurable. The Company has concluded that fair value can be determined at January 1, 2010 for the investment in CMSJ from the sale of the 85% interest in this investment in November 2009 to a third party.

c) Acquisition of Oracle Ridge: According to Canadian GAAP, if an acquired project does not constitute a business, the transaction is accounted for as the acquisition of an asset and results in a deferred tax asset or liability being recognized for any difference between the resulting carrying value and the tax basis of the asset. Under IFRS, if an acquired project does not constitute a business, the transaction is accounted for as an acquisition of an asset, however, no deferred tax asset or liability is recognized because of the initial recognition exception in IAS 12, which prohibits recording of deferred tax assets or liabilities on asset acquisitions.

10. FORWARD-LOOKING INFORMATION

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. Forward-looking statements relate to future events or future performance and reflect management of the Company's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the receipt of permits to develop and operate the project, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.