Dated: April 16, 2012

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This discussion and analysis covers Chantrell Ventures Corp. (the "Company" or "Chantrell") financial statements for the years ended December 31, 2011. This Management's Discussion and Analysis ('MD&A') should be read in conjunction with the audited financial statements for the years ended December 31, 2011 and 2010. The information contained in this report is current to April 16, 2012.

The accompanying interim financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that that the Financial Statements fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through its Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Chantrell to fund the capital and operating expenses necessary to achieve the business objectives of Chantrell, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

CORPORATE OVERVIEW

Chantrell Ventures Corp. (formerly Tiger Pacific Mining Corp.) is a public company incorporated under the laws of the Province of Alberta and continued into the Province of British Columbia under the Business Corporations Act on July 29, 2004.

On September 6, 2005, the British Columbia Securities Commission ("BCSC") issued a Cease Trade Order ("CTO") against the Company for failing to file interim unaudited financial statements for the period ended June 30, 2005. On September 13, 2006, the Alberta Securities Commission ("ASC") issued a CTO against the Company for failing to file the annual audited financial statements for the year ended December 31, 2005, and interim unaudited financial statements for the periods ended on March 31, 2006 and June 30, 2006. In August 2010, the Company brought its financial reporting obligations up to date and on August 25, 2010 the Company received full revocation orders from the BCSC and ASC.

On August 31, 2010, following the Company's shareholders approval at the Company's Annual and Special Meeting of Shareholders, the Company consolidated its share capital on a 2.5 old for 1 new basis, and changed the Company's name to Chantrell Ventures Corp. Also on August 31, 2010, the Company's post consolidated common shares were reinstated for trading on the NEX Board of the TSX Venture Exchange (the "Exchange") under the new symbol: CV.H.

On December 2, 2010, the Company appointed Paul A. Parisotto, Hugh Agro, Alex Davidson and Lorie Waisberg to its Board. Mr. Parisotto was also appointed as President, CEO and CFO.

OUTLOOK

The mission of the Company is to enhance shareholder value through the acquisition and development of mining properties in the Americas. The Company is currently investigating opportunities in order to fulfill this objective.

The Company completed a $500,000 private placement in December 2010 and 7,200,000 warrants were exercised in December 2010 and January 2011 for total proceeds of $900,000. As at April 16, 2012, the Company has working capital of approximately $1 million, which will be used to fund ongoing operations and to help finance the acquisition and development of potential mining properties.

(Expressed in Canadian dollars)

SELECTED ANNUAL FINANCIAL INFORMATION

For the years ended December 31,	**2011**	**2010**	**2009 (CDN GAAP)**
Total revenues	$Nil	$Nil	$Nil
Loss for the year	(1,066,665)	(287,189)	(194,268)
Basic and fully diluted loss per share*	(0.06)	(0.05)	(0.06)
Total assets	1,118,854	702,999	9,239
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

***** *Per share amounts have been retroactively adjusted to reflect the August 31, 2010 2.5 to 1 share consolidation*

From the time that the CTOs were issued against the Company on September 6, 2005 and September 13, 2006, the Company remained inactive until 2010, and as a result has had no income to report. The losses experienced for the years ended December 31, 2010 and 2009 are attributable to fees associated with accounting, audit and legal work associated with maintaining the Company.

The loss during the year ended December 31, 2011 is mostly due to an increase in share based compensation expenses relating to options granted to the Company's management team and board of directors.

The loss experienced for the year ended December 31, 2011 was $92,921 more than the loss experienced in to fiscal 2009 and was mostly due to an increase in share based compensation expenses relating to options granted to the Company's management team and board of directors, which was offset by a gain on the forgiveness of debt by the Company's former related parties.

(Expressed in Canadian dollars)

SUMMARY OF QUARTERLY RESULTS

	4th Quarter Ended December 31, 2010	**3rd Quarter Ended September 30, 2011**	**2nd Quarter Ended June 30, 2011**	**1st Quarter Ended March 31, 2011**
	$	$	$	$
(a) Revenue	Nil	Nil	Nil	Nil
(b) Net loss for period	(85,55)	(78,734)	(87,957)	(814,415)
(c) Net loss per share [1,2]	(0.00)	(0.00)	(0.00)	(0.05)
(d) Total assets	1,118,854	1,209,701	1,277,937	1,356,937
(e) Total liabilities	16,290	21,578	11,080	2,123
	4th Quarter Ended December 31, 2010	**3rd Quarter Ended September 30, 2010**	**2nd Quarter Ended June 30, 2010**	**1st Quarter Ended March 31, 2010**
(a) Revenue	Nil	Nil	Nil	Nil
(b) Net income/(loss) for period	(620,355)	469,472	(64,688)	(71,618)
(c) Net income/(loss) per share [1,2]	(0.06)	0.08	(0.02)	(0.02)
(d) Total assets	702,999	248,474	8,748	9,187
(e) Total liabilities	46,145	167,890	1,081,636	1,017,387

[1] *Numbers have been rounded to the next decimal for presentation purposes.*
[2] *Per share amounts have been retroactively adjusted to reflect the August 31, 2010 2.5 to 1 share consolidation*.

For the quarters ended January 1, 2010 to December 31, 2010, the Company had no active operations and was in the process of being restructured. The losses for these periods are mainly attributable to the fees associated with accounting, audit and legal work associated with maintaining the Company. Net income for the 3rd quarter of 2010 is a result of a $524,938 gain on the forgiveness of debt during the quarter that occurred as part of the Company's restructuring. Actual loss from operations for 3rd quarter of 2010 was $55,466. The higher loss during the 4th quarter of 2010 and the 1st quarter of 2011 is due primarily to an increase of $602,000 and $728,000 in share based payments respectively, as a result of the granting of options to the Company's management team and board of directors.

RESULTS OF OPERATIONS

For the three months ended December 31, 2011

The following analysis of the Company's operating results for the three months ended December 31, 2011, includes a comparison to the three months ended December 31, 2010.

Revenue:

The Company had no revenue, as there currently are no active business operations.

Expenses:

Management and consulting fees for the three months ended December 31, 2011 were $49,584 compared to $27,500 for the three months ended December 31, 2010, which is consistent with existing agreements.

Professional fees for the three months ended December 31, 2011 were $9,017 compared to $(18,609) for the three months ended December 31, 2010. The $27,626 increase is a result of the fact that the prior year's amount included a reclassification of $12,000 in expenses to share issue costs.

Shareholder information expenses for the three months ended December 31, 2011 were $5,444 compared to $5,167 for the three months ended December 31, 2010. The current quarter amounts are indicative of on-going maintenance rates.

Office and miscellaneous expenses for the three months ended December 31, 2011 were $2,036 compared to $4,297 for the three months ended December 31, 2010. These fees are expected to be consistent in the coming quarters.

Share based payments expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model.

Loss for the period

The net loss for the three months ended December 31, 2011 was $85,559 as compared to a net loss of $620,355 for the three months ended December 31, 2010. The $534,796 decrease in net loss is due to $Nil (2010 - $602,000) in share based payments from options granted to the Company's management and board of directors.

For the year ended December 31, 2011

The following analysis of the Company's operating results for the year ended December 31, 2011, includes a comparison to year ended December 31, 2010.

Revenue:

The Company had no revenue, as there currently are no active business operations.

Expenses:

Management and consulting for the year ended December 31, 2011 were $181,667 compared to $92,500 for the year ended December 31, 2009, which is consistent with existing agreements.

Loan interest for the year ended December 31, 2011 was $Nil compared to $22,446 for the year ended December 31, 2010. The decrease in 2011 is because all the loans were repaid or forgiven during fiscal 2010.

Professional fees for the year ended December 31, 2011 were $49,723 compared to $51,946 for the year ended December 31, 2010. These fees are expected to be consistent in the coming year.

Shareholder information expenses for the year ended December 31, 2010 were $30,809 compared to $7,156 for the year ended December 31, 2010. The current year's amount includes amounts to bring the Company up to date with respect to its filing fees and be reinstated for trading on the NEX Board of the TSX Venture Exchange.

Office and miscellaneous expenses for the year ended December 31, 2011 were $69,170 compared to $12,246 for the year ended December 31, 2010, representing a $56,924 increase over the previous year. The increase is due to management actively looking to acquire new mining assets to fulfill the Company's mission statement.

Project investigation costs for the year ended December 31, 2011 were $18,220 compared to $Nil for the year ended December 31, 2010. This amount relates to direct costs relating to the review and investigation of new mining assets to fulfill the Company's mission statement.

Share based payments expenses are booked based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and the underlying assumptions used in the model.

Loss for the year

The net loss for the year ended December 31, 2011 was $1,066,665 as compared to a net loss of $287,189 for the year ended December 31, 2010. The $779,476 increase in net loss is largely a result of share based payments of $728,000 (2010 - $602,000) from options granted to the Company's management team offset by a gain on forgiveness of debt of $Nil (2010 - $524,938) mainly by the Company's former related parties.

RISKS AND UNCERTAINTIES

The Company presently does not own any properties, business or other related assets of merit and is currently in the process of searching for a new business opportunity. There is no guarantee that the Company will be able to complete acquire a property.

At present, the Company has no internal sources of funding from which to repay its existing obligations and on-going operating costs. If the Company is unable to obtain adequate additional financing, management might be required to curtail the Company's operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case its ability to continue as a going concern may be adversely affected.

If an acquisition of or the participation in corporations, properties, assets or businesses is identified, the Company may find that even if the terms of an acquisition or participation are economic, it may not be able to finance such acquisition or participation and additional funds will be required to enable the Company to pursue such an initiative. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. The Company will be competing with other companies, many of which will have far greater resources and experience than the Company. No assurance can be given that the Company will be successful in raising the funds required for an acquisition.

LIQUIDITY

For the year ended December 31, 2011, the Company had an opening cash balance of $552,749 (2010 - $4,426). The cash balance increased by $500,068 (2010 – $548,323) mainly from the exercise of 6,275,000 (2010 – 925,000) warrants for proceeds of $784,375 (2010 - $115,625) during the year as compared to the prior year. In July 2010, the Company completed a private placement of 7,200,000 units at a price of $0.095 per unit for proceeds of $684,000 and in December 2010, the Company closed a private placement of 1,000,000 units at $0.50 per unit for gross proceeds of $500,000. These funds were used to repay liabilities and will be used to fund corporate working capital requirements for the near term.

As at December 31, 2011, the Company had working capital of $1,078,658 (2010 –$656,854), had not yet achieved profitable operations, had accumulated losses of $3,554,320 (2010 - $2,487,655) and expects to incur further losses in the development of its business, all of which casts doubt upon the Company's ability to continue as a going concern.

The Company currently is not able to internally finance on-going operating costs of its businesses over the long term and therefore will require additional financing by means of issuing share capital, advances from related parties, or other sources. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. In addition, the Company will require additional financing in order to assist in the search, and, if warranted, acquisition of a business opportunity. There can be no certainty of the

Company's ability to raise additional financing through private placements, advances from related parties, or other sources to fund these activities. Consequently the Company is subject to liquidity risks. These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and the Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

CAPITAL DISCLOSURE

The Company's objectives in managing its capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's activities; to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties; to maintain a flexible capital structure for its projects for the benefit of its stakeholders; to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company considers its capital to be equity, which is comprised of share capital, reserves, and deficit, which as at December 31, 2011 totaled $1,102,564 (2010 – $656,854).

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company currently has no major sources of revenue; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will continue to assess its existing working capital position and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's investment policy is to invest its cash in bank deposits, to ensure it is available for upcoming expenditures.

The Company expects its capital resources will be sufficient to carry out its acquisition and exploration plans and operations through its current operating period. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2011. Neither the Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, trade and other receivables, and trade and other payables. Trade and other receivables is designated as "loans and receivables". Trade and other payables are designated as "other financial liabilities".

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs that are not based on observable market data.

The fair values of trade and other receivables, and trade and other payables approximate their carrying values due to their short term maturity. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the their financial instruments are summarized below:

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for its obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2011, the Company had working capital of $1,078,658 (2010 – $656,854), consisting of current assets of $1,094,948 (2010 - $702,999) compared to current liabilities of $16,290 2010 - $46,145). The ability of the Company to continue to pursue its activities and continue as a going concern is dependant on its ability to secure additional equity or other financing. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company currently has sufficient working capital to meet its short term business requirements.

Strategic risk
Strategic risk is the risk that the Company fails to identify opportunities and/or threats arising from changes in the market. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory developments and competitor actions. The Company is currently in the process of identifying and evaluating business' and/or assets that warrant acquisition or participation. The Company is exposed to the risk that it may not be able to obtain the necessary financing requirements to complete such an acquisition. As well, the Company may be competing with other entities for the acquisition of an identified business' and/or assets and there can be no assurance as to the successful outcome of such a negotiating process. The Company mitigates these risks by means of its selection of qualified and experienced directors and officers who actively consider the potential opportunities and challenges for the Company.

Interest rate risk
The Company's cash includes bank deposits that are subject to floating interest rates. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash and receivables included in current assets. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits and cash held in trust with the Company's legal counsel, from which, management believes the risk of loss is remote. As at December 31, 2011, the Company's receivables primarily consist of amounts due from the Canadian government or amounts collected on behalf of the Company relating to its private placement at year end. The Company's receivables are normally collected within a 30-60 day period. The Company has not experienced any collection issues to December 31, 2011. The Company is exposed to credit risk with regards to debtors refusing payment and the government denying the Company claims filed.

The Company's maximum exposure to credit risk as at December 31, 2011 is the carrying value of cash, and trade and other receivables.

Additional Capital

The acquisition and exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of acquisition, exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

(Expressed in Canadian dollars)

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2011, the Company incurred $Nil (2010 - $30,000) in management and consulting fees to former directors, a company associated with a former director and a company with a former director in common. In addition, the Company incurred $Nil (2010 - $4,060) in interest charges on loans from former directors, a company associated with a former director and a company with a former director in common.

During the year ended December 31, 2011, liabilities due to certain related parties were settled resulting in a gain on forgiveness of debt in the amount of $Nil (2010 - $440,922), which is included under gain on forgiveness of debt.

Compensation of key management personnel

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management included:

		December 31, 2011		December 31, 2010
Balances:				
Employee salaries	**$**	**182,000**	$	98,000
Share based payments - options		**728,000**		602,000
Total compensation paid to key management	**$**	**910,000**	$	700,000

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table sets forth information concerning the outstanding securities of the Company as at April 16, 2012.

	Authorized	***Outstanding***
Voting or equity securities issued and outstanding	*Unlimited Common Shares*	*18,611,857 Common Shares*
Securities convertible or exercisable into voting or equity shares		*a) Options to acquire up to 1,860,000 common shares*

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ESTIMATES

Mineral properties
All acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into Property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Decommissioning, restoration and similar liabilities ("Asset retirement obligation" or "ARO")
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized as its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related mineral property asset in the case where technical feasibility has been established, and expensed if technical feasibility is yet to be established. Once capitalized, the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Share based payments

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity-settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share
The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury

stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the year ended December 31, 2011 and 2010 all of the outstanding stock options and warrants were antidilutive.

Financial assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company's trade and other receivables are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2011 the Company has not classified any financial assets as available-for-sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date. Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2011 the Company has not classified any financial liabilities as FVTPL.

Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost
If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale
If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

Impairment of nonfinancial assets
At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss and the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the declining balance method or unit-of-production method over the following expected useful lives:

- Office, furniture and fixtures 20%

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of comprehensive income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; capital assets, including gold reserves and resources, depreciation and depletion; recoverability of trade and other receivables, valuation of deferred income tax amounts, impairment testing and the calculation of share based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities, determination of the commencement of commercial production and the determination of the economic viability of a project.

TRANSITION TO IFRS

Transition to IFRS from GAAP

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") for financial periods beginning on and after January 1, 2011.

The Company has adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010.

IFRS Conversion

The Company's IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion was understood and managed reasonably, the Company hired an IFRS conversion project manager. The accounting staff attended several training courses on the adoption and implementation of IFRS. Through in-depth training and the preparation of reconciliations of historical Canadian GAAP financial statements to IFRS, the Company believes that its accounting personnel have obtained a thorough understanding of IFRS.

In conjunction with the adoption of IFRS the Company has implemented a new accounting system, which will satisfy all the information needs of the Company under IFRS. The Company has also reviewed its current internal and disclosure control processes and believes they will not need significant modification as a result of our conversion to IFRS.

Impact of IFRS
IFRS employs a conceptual framework that is similar to Canadian GAAP; however significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS will not change the actual cash flows of the Company, the adoption will result in changes to the reported financial position and results of operations of the Company. In order to allow the users of the financial statements to better understand these changes, we have provided the reconciliations between Canadian GAAP and IFRS for the total assets, total liabilities, shareholders equity and net earnings in Note 3 to the interim financial statements. The adoption of IFRS has had no significant impact on the net cash flows of the Company. The changes made to the statements of financial position have resulted in no reclassifications of various amounts on the statements of cash flows. Since there has been no change to the net cash flows, no reconciliations have been presented.

In preparing the reconciliations, the Company applied the principles and elections of IFRS 1, with a transition date of January 1, 2010. As the Company has adopted IFRS effective January 1, 2010, it has applied the provisions of IFRS 1 as described under the section entitled "Initial Adoption – IFRS 1", with a January 1, 2010 transition date. The Company has also applied IFRS standards in effect at December 31, 2011 as required by IFRS 1.

Initial Adoption of International Accounting Standards
IFRS 1 ''First Time Adoption of International Accounting Standards'' sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional date of the statement of financial position with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. The Company has chosen to take the following exemptions under IFRS 1:

- to apply the requirements of IFRS 3, *Business Combinations,* prospectively from the transition date; and
- to apply the requirements of IFRS 2, *Share-based payments*, only to equity instruments granted after November 7, 2002 which had not vested as of the transition date

Comparative Information
The Company has restated all prior period figures in accordance with IFRS.

PROVISIONS

As at December 31, 2011, the Company had no contingent liabilities outstanding.

In June 2010, the Company received a Consent Dismissal Order from the Supreme Court of British Columbia with respect to a claim from 2005 following the final settlement payment of US$69,000 in June 2010.

OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

The Company has no off statement of financial position arrangements requiring disclosure.

ADDITIONAL FUNDING REQUIREMENTS

As discussed, the Company has no source of operating cash flow. The Company intends to raise such additional funds to acquire and complete its activities. There is no assurance that Chantrell will be able to raise additional funds on reasonable terms. The development of any ore deposits found on any acquired exploration properties of Chantrell depends on the ability of the Company to obtain financing through debt financing, equity financing or other means. If the exploration and development programs of Chantrell are successful, additional funds will be required to develop the properties and, if successful, additional funds will be required to place them in commercial production. The only source of future funds presently available to Chantrell is the sale of equity capital of Chantrell. The ability of Chantrell to arrange such financing in the future will depend in part upon the prevailing capital market conditions, as well as on the business performance of the Company. There can be no assurance that Chantrell will be successful in its efforts to arrange additional financing if needed on terms satisfactory to Chantrell If additional financing is raised by the issuance of shares from the treasury of the Corporation, control of Chantrell may change and shareholders may suffer additional dilution. If adequate financing is not available, Chantrell may be required to delay, reduce its scope, or eliminate one or more exploration activities. Failure to obtain additional financing on a timely basis could cause Chantrell to reduce or terminate its operations.

MANAGEMENT'S EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management of the Company, with the participation of the Chief Executive Officer (who is also the Chief Financial Officer), evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer has concluded that, as of the end of the year covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Company's Chief Executive Officer has ensured the design of internal control over financial reporting.

During the most recent quarter end, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS AND RISK MANAGEMENT

The Company's business is highly uncertain and risky by its very nature. Future business opportunities pursued by the Company may be in other fields, and are also likely to be risky. In addition, the ability to raise funding in the future to maintain the Company's search for new business opportunities, and to carry through with the ensuing activities is dependant on financial markets that often fail to provide necessary capital.

Regulatory standards continue to change making the review process longer, more complex and more costly. Even if an apparently successful business proposal is developed, there is no assurance that it will ever be carried out or be profitable, as its potential economics are influenced by many key factors such as the general state of the economy, foreign exchange rates, equity markets and political interference, permitting approvals, which can not be controlled by management.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this MD&A. The financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited financial statements with management. The Board of Directors has approved these audited financial statements on the recommendation of the Audit Committee.

Dated this 16th day, of April, 2012.

"Paul A. Parisotto"

Paul A. Parisotto
President, Chief Executive Officer and Chief Financial Officer

ADDITIONAL INFORMATION

Additional information relating to the Company is available at *www.sedar.com*.