



LOUNOR
EXPLORATION INC.

**Interim Management Discussion
and Analysis Report
For the Six-Month Period
Ended September 30, 2011**

This management's discussion and analysis report ("MD&A") provides an analysis of our financial condition and results of operations to enable a reader to assess material changes for the half-year ended September 30, 2011, in comparison with the same period of last year. This MD&A report was prepared as at November 29, 2011 to complement the Company's condensed interim financial statements. This interim MD&A and our condensed interim financial statements are intended to provide investors with reasonable basis for assessing our results of operations and our financial performance.

Lounor Exploration Inc. ("Lounor"), incorporated under Part 1A of the Quebec Companies Act, is an exploration company operating in Canada. As at the date of this MD&A, the Company holds mining properties in Quebec (Queylus and Zinc) and in Ontario (Harker). Lounor is a reporting issuer in Alberta, British Columbia and Quebec and is listed on the TSX Venture under the symbol LO and on the Frankfurt Exchange under the symbol LE2A.

This MD&A contains "forward-looking statements" not based on historical facts. Forward-looking statements express, as at the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements, factors could cause results or events to differ materially from current expectations expressed or implied by forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.

MINING PROPERTIES

Queylus Property

In 1996, Lounor acquired the Queylus property and was looking for a gold-copper porphyry system. Lounor drilled over 40 diamond drill holes with encouraging results.

The Queylus Property is comprised of 3,600 hectares and is located in the Chibougamau mining camp. Many gold and copper showings were discovered on the property. In the 60's and 70's, Soquem and Valco Inc. explored the property and intercepted low grade copper mineralization over widths going from 46 meters to 216 meters.

In January 2007, Lounor asked Diagnos to prepare a report to determine all the areas that seemed to represent interesting targets for mining exploration and most particularly the different types of mineralization with a high potential of interest by using the prediction system "Cards" developed by Diagnos.

Following a geological report obtained recently from a consultant, Lounor completed four short drill holes in the spring of 2010. The consultant recommends additional work.

The Company is currently discussing with a group interested by the property.

Zinc Property (Bernières)

In April 2010, Lounor acquired a total of 17 mining units located in the Bernières Township, in the mining district of Val-d'Or, province of Quebec. To acquire a 100 % interest in the property, Lounor paid \$15,000 and issued 1,000,000 common shares. The vendor has retained a 1.5% NSR royalty in the property.

The property is located to the east of the Matagami mining camp. Significant Megatem anomalies have been detected in the center of the acquired property and the type of response obtained is often associated with large sulphide lenses. The property has never been drilled and only geophysical surveys (Max-Min and Mag) have been done.

The Company plans to execute geophysical survey and some drilling on this property in 2012.

Harker Property

In January 2008, the Company entered into an option agreement to acquire a 100% interest in this property. To comply with this agreement, the Company issued 800,000 shares and paid \$200,000.

The Harker property is located 5 km south of the Destor Porcupine Fault Zone (DPFZ) host of many important gold mines including the Timmins - Porcupine Gold Camp (65 millions ounces of gold). The Holt McDermot Mine (1.3 million ounces) and the Harker Hallway Mine (1.4 million ounces) are located on the DPFZ about 5 km north –northeast of the property.

A siliceous horizon, whether it is rhyolite, silicified basalt or silica-rich variolitic basalt, is the gold prospective horizon. Au-rich assays are obtained on this horizon, the values indicated by diamond drilling are erratic and on average below potential ore-grade over 396 metres (1,300 feet) long.

The **95** holes completed by Lounor to date have intersected the mineralized zones. The results of the program have proven the **gold zone** to be over **425 metres in strike length** and to a vertical depth of **250 metres**. It is **open** to the **east**, to the **west and at depth**.

The 95 holes completed by Lounor to date have intersected the mineralized zones. The continuity of the structure and the gold zones contained herein are an important feature of the mineralization in the Harker area.

The Harker-Hurd Zone is interpreted to be an extensive zone of gold mineralization measuring at least 425 m along strike and 250 m of depth and remains open along strike to the east, the west and at depth. Mineralization, which is plunging to the east, occurs in silicified and albitized mafic volcanic rocks with approximately 5% disseminated pyrite mineralization. Gold mineralization is similar to the neighbouring Holt-McDermott Zone.

The gold mineralization at Harker-Hurd is distributed with a similar pattern to that of the Holt-McDermott gold mine where gold mineralization is found in high grade ore shoots within a broader envelop of lower grade gold mineralization that plunges to the east.

A geological reinterpretation lets us believe that the interpretation that we had 4 distinct zones (lens) on the Harker property is wrong. In fact, the last modelling of our consulting geologist lets us believe that it is a continued zone with several sigmoidal zones. Intensive stripping will be conducted to confirm this model. If this model is proven, we will be assured of a better continuity.

All drill holes were realized on only 2 claims. The Company plans to continue drilling at depth. We also have completed recently stripping work and have enhanced our geological interpretation and will improve the results of our next drilling.

Analysis of the Exploration Expenditures

During the first six months of the year, the Company has incurred an amount of \$197,565 (\$329,849 in 2010) in exploration expenditures.

Description	Harker	Queylus	Zinc
	\$	\$	\$
Geology	7,791	-	-
Drilling	181,265	-	-
Analyses	1,967	-	-
General Exploration Expenses	6,542	-	-
Total	197,565	-	-

Analysis of Acquisitions and Renewal of Mining Claims

During the six-month period ending September 30, 2011, the Company has made no acquisition of mining properties.

The royalties on the mining properties are as follows:

Queylus	1%
Harker	2%
Zinc	1.5%

Person Responsible of the Technical Information

The qualified person pursuant to National Instrument 43-101, responsible of the technical information of the Company is Mr. Christian Dupont, Ph. Engineer.

FINANCIAL DATA

Our condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting* ("IAS 34") and IFRS 1, *First-Time Adoption of International Financial Reporting Standards* ("IFRS"). The condensed interim financial statements should be read in conjunction with our Canadian GAAP annual financial statements for the year ended March 31, 2011. All monetary values contained in this MD&A are expressed in Canadian currency.

Significant Financial Data (Audited)

YEAR ENDED MARCH 31	2011	2010	2009
	\$	\$	\$
Total Assets	3,417,353	2,974,553	2,217,169
Total Liabilities	833,907	583,622	157,929
Earnings	22,920	12,849	11,246
Net loss	1,065,577	1,179,956	683,186
Net loss per share on a diluted basis	0.02	0.03	0.03

BALANCE SHEET

As at March 31, 2011, our total assets amount to \$3,417,353 compared to \$2,974,553 as at March 31, 2010. The important changes between these periods are mainly due to the acquisition of mining properties, by the deferred exploration expenses and the private placements. The total liabilities amount to 833,907, out of which \$581,584 is for the taxes under Part XII.6 and its interests and penalties, \$45,000 as other liabilities as well as 207,323 for its creditors.

QUARTERLY INFORMATION (unaudited)

	Sept. 30 2011	June 30, 2011	March 31 2010	Dec. 31 2010	Sept. 30 2010	June 30 2010	March 31 2009	Dec. 31 2009
Total assets	3,305,708	3,325,542	3,417,353	3,421,159	3,357,882	3,074,800	2,974,553	3,239,225
Total liabilities	938,182	868,680	833,907	462,829	537,178	686,007	583,622	109,799
Revenue	3,059	4,769	5,821	5,504	6,840	4,755	2,878	3,133
Net loss	133,747	126,584	167,031	214,629	241,189	441,728	382,319	184,230
Net loss per share on a diluted basis	0.00	0.02	0.02	0.00	0.00	0.01	0.01	0.00

STATEMENTS OF EARNINGS

Revenue

Being a mining exploration company, the Company does not generate regular earnings so Lounor has to secure its survival by issuing capital-stock. The revenues registered come from two other companies that share the same office spaces, equipment and administrative personnel.

Details of the administrative expenses for the six-month period ending September 30,

	2011 \$	2010 \$
Consultants' fees	116,100	242,470
Professional fees	84,133	36,321
General administrative expenses	54,944	78,577
Registration, listing fees and shareholders' information	18,668	29,546
Interests and bank expenses	386	340
Stock-based compensation	-	35,600
Amortization of fixed assets	2,929	872
Total	<u>277,160</u>	<u>423,726</u>

Summary of the administrative expenses for the last fourth quarters:

	Sept. 30, 2011	June 30, 2011	March 31, 2011	Dec. 31 2010
General administrative expenses	19,995	35,114	42,977	39,569
Penalties and part XII.6 taxes	-	-	174,752	-
Professional fees	35,324	44,983	12,757	17,375
Consultants fees	67,100	52,826	108,233	139,700
Regis., listing fees & shareholders' inf.	12,703	5,965	16,001	22,538
Stock-based compensation	-	-	(5,600)	-
Amortization	1,464	1,465	1,464	951
Settlement of a lawsuit	-	-	69,592	-

- a) During the quarter ended March 31, 2011, the general administrative expenses are higher compared to the other quarters because of the Company's participation in the PDAC in Toronto.
- b) As at March 31, 2011, the Company recorded an amount of \$174,752 in anticipation of an assessment for penalties and taxes under Part XII.6 for exploration expenditures non-realized.

- c) As at June 30, 2011, the professional fees are higher in comparison with the other quarters because the Company recorded tax specialist fees.
- d) As at December 31, 2010, consultants' fees have increased because management was more active with the financial community to make the Company known.
- e) As at December 31, 2010, the item registration, listing fees and shareholders' information have increased because the Company has recorded supplementary expenses following the annual meeting of shareholders and pertaining to one private placement.
- f) As at March 31, 2011 the Company has recorded an adjustment to the stock-based compensation.
- g) As at March 31, 2011, following a settlement of a lawsuit from a consultant, the Company recorded an expense of \$69,592.

CASH FLOWS

During the three-month period ended September 30, 2011, the Company recorded \$50,000 pursuant to a private placement. The Company incurred \$250 in issuance fees following this placement. During the three-month period ended September 30, 2011, the Company disbursed \$4,249 in exploration expenses. These investment activities are directly linked to the sectors of activity of the Company.

SOURCE OF FINANCING

During the six-month period ending September 30, 2011, the Company closed a private placement for an amount of \$50,000 out of which \$40,000 is in flow-through shares and \$10,000 is in common shares.

Date	Financing		Use of Proceeds
April 2010	Flow-through shares	\$194,000	Exploration expenditures in Ontario
	Common shares	\$26,000	Working capital
June 2010	Flow-through shares	\$97,600	Exploration expenditures in Ontario
	Common shares	\$24,400	Working capital
Sept. 2010	Common shares	\$339,000	Working capital
Sept. 2010	Flow-through shares	\$112,500	Exploration expenditures in Ontario
	Common shares	\$25,000	Working capital
Dec. 2010	Flow-through shares	\$216,000	Exploration expenditures in Ontario
	Common shares	\$32,000	Working capital
Feb. 2011	Flow-through shares	\$198,000	Exploration expenditures in Ontario
	Common shares	\$22,000	Working capital
Feb. 2011	Common shares	\$85,000	Working capital
August 2011	Flow-through shares	\$40,000	Exploration Expenditures in Ontario
	Common shares	\$10,000	Working capital

CONTINGENCIES

As at September 30, 2011, the Company will have to incur as exploration expenditures an amount of \$585,278 prior to December 31, 2011 and \$238,000 prior to December 31, 2012. As at September 30, 2011, the Company did not have the necessary cash to respect these financial commitments. This increases the risk that these funds will not be spent in exploration expenditures. In the event that the Company does not respect its future commitments pertaining to these flow-through financings, the impact would be major on the future activities of the Company.

OBLIGATION AND CONTRACTUAL COMMITMENTS

The Company has a rental agreement for a vehicle and according to this agreement, the payments are estimated at \$12,410 in 2012 and \$9,308 in 2013.

LONG-TERM DEBT

The Company has no long-term debt.

RELATED PARTY TRANSACTIONS AND COMMERCIAL OBJECTIVES

During the six-month period ending September 30, 2011, the Company incurred consultant fees with its President for an amount of \$78,000 (\$78,000 in 2010). Lounor has also incurred amounts representing \$18,500 (\$0 in 2010) for two directors.

During the six-month period ending September 30, 2011, the Company recorded \$3,929 (\$3,720 in 2010) as revenues for general administrative expenses incurred by Lounor for a company whose president is also a director of Lounor. In connection with these transactions, an amount of \$972 is receivable.

These transactions are concluded in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the parties.

TRANSITION TO IFRS

Lounor Exploration Inc.'s financial statements for the year ending March 31, 2012 will be the first annual financial statements that comply with IFRS and these interim financial statements were prepared as described in Note 3, including the application of IFRS 1. IFRS 1 requires an entity to make an explicit and unreserved statement of compliance with IFRS in its first annual financial statements prepared under IFRS. Lounor Exploration Inc. will make this statement in its 2012 annual financial statements. IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which Lounor Exploration Inc. Has applied IFRS was April 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for Lounor Exploration Inc. will be March 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first-time IFRS adopters. Set forth below are the IFRS 1 elections made by Lounor Exploration Inc. to convert the GAAP results to IFRS.

Exemption to full retrospective application elected by the Company under IFRS 1

In the preparation of its first financial statements in IFRS in accordance with IFRS 1, Lounor Exploration Inc. has elected to use some exemptions from other IFRSs by taking into account exceptions to the retrospective application of other IFRSs.

- Apply IFRS 3 (revised in 2008) only to the business combinations that happened after the date of transition.
- Apply IFRS 2 *Share based payment* only to equity instruments that were granted after November 7, 2002 and had not fully vested by the transition date.
- Apply the exemption which allows designating, at the date of transition to IFRSs, any financial asset or financial liability as at fair value through profit or loss, subject to meet classification criteria of IAS 39 at that date.
- Apply the exemption which allows to a first-time adopter to not separate liability and equity component of compound financial instruments if the liability component is no longer outstanding at the date of transition to IFRSs.

Exception to the retrospective application for estimates (IFRS 1)

The Company expects that the estimates made in accordance with IFRSs at the date of transition to IFRSs will be consistent with estimates made at the same date in accordance with pre-changeover Canadian GAAP (after adjustments made to reflect any difference in accounting policies).

Reconciliation of GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods.

The following represents the reconciliations from GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive loss:

Reconciliation of Equity

For the Periods Ended	As at September 30, 2010 \$
Total Shareholders' equity under Canadian GAAP	2,820,704
Adjustment for change in accounting policy related to flow-through shares	(41,000)
Total Equity under IFRS	2,779,704

Reconciliation of Comprehensive Loss

For the periods ended,	Three-month ended September 30, 2010 \$	Six-Month ended September 30, 2010 \$
Comprehensive loss previously reported under Canadian GAAP	242,189	692,917
Adjustment for change in accounting policy related to flow-through shares	(1,000)	(10,000)
Comprehensive loss under IFRS	241,189	682,917

The Company has decided to follow the view point published in May 2011 by the Mining Industry Task Force created by the Canadian Institute of Chartered Accountants and the Prospectors and Developers Association of Canada relatively to the accounting treatment for flow-through shares. Therefore, when the Company issued flow-through shares, it measures what had been issued to investor that is an equity interest and a right to a stream of tax deductions.

The full retrospective application of this new accounting method has proven itself impracticable because several data from previous years were not collected in a manner allowing the retrospective application. The reconstitution of this information has also been impracticable taking into account the importance of the estimations that would have been necessary and because of the subjective nature of these estimations. Furthermore, the Company does not have anymore all the previous data necessary to realize reasonable estimates; which would have force the Company to decide to apply the new method starting on a said date (prior to the transition date). In this context, the Company believes that the starting date of application was becoming somewhat arbitrary.

For the reasons previously stated, the Company decided that a full retrospective application of the new method of accounting for the flow-through financings does not establish reliable and more relevant information. The Company has decided to limit the application of the new accounting method to its flow-through financings obtained during the years 2010 and 2011; which are the financings obtained starting on April 1st, 2009. The retrospective application to the financings obtained since this date allows to take into account the liability value (designated as an “other liability” to the statement of financial position) coming from obligations to transfer tax deductions that were not completed as at the transition date of April 1st, 2010 and subsequently.

Starting on April 1st, 2009, the Company has retrospectively evaluated the premium related to the right to tax deductions by using the relative fair value method. This application resulted in modified values for capital stock and warrants compared to the one previously recorded. The amount established for the premium was recorded as other liability in the statement of financial position. Other liability represents the Company’s obligation to remit tax deductions to investors by incurring eligible tax expenses. The Company transferred other liability amount to the comprehensive loss as a deferred tax expense reduction progressively at the fulfillment of obligation to transfer the right to tax deductions.

As at the transition date of April 1st, 2010, the cumulative impact of this change on the statement of financial position was to increase the accounting value of the capital stock by \$344,000, to reduce the accounting value of the purchase warrants by \$382,000, to increase the liabilities of \$26,000 (accounting of an amount as at other liabilities) and to reduce the deficit of \$12,000. The \$12,000 reduction of the deficit comes from the recognition as income of the realization of a portion of the obligation to transfer the right to tax deductions of the flow-through financings of the year 2010.

As at September 30, 2010, the cumulative impact of this change on the statement of financial position was to increase the accounting value of the capital stock by \$321,000, to reduce the accounting value of the warrants by \$384,000, to increase the liability by \$41,000 (accounting of an amount as other liabilities) and to reduce the deficit by \$22,000. The cumulative reduction of \$22,000 of the deficit comes from the recognition as income for 2010 (\$12,000) and for the six-month period ended September 30, 2010 (\$10,000) of the realization of a portion of the obligation to transfer the right to tax deductions.

FINANCIAL INSTRUMENTS

The fair value of the Company’s financial instruments nears the book value unless indicated otherwise in the notes. The cash flow, creditors and accrued liability bear no interest.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s activities are exposed to financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

a) Market Risks

Fair Value

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments. Fair value of cash, other receivables and accounts payable and accrued liabilities approximate carrying value due to their short-term.

Fair Value Hierarchy

Cash and investments reserved for exploration are measured at fair value and they are categorized in Level 2. This valuation is based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial assets and liabilities are not exposed to interest rate risk because they don’t bear interest.

Currency Risk

The Company is not exposed to currency fluctuations as all transactions occur in Canadian dollars.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Company to credit risk mainly consist of cash, cash reserved for exploration and other receivables. The credit risk on cash and on cash reserved for exploration is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Company has a significant concentration of credit with the sole company. The amount is approximately 98% of the other receivables.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. At the end of September 2011, management is optimistic to get sufficient funds to meet its financial liabilities and future financial liabilities from its commitments. Considering the importance of the future commitments of the Company, the risk is high that the management meets difficulty to have amount required for its future projects. Considering the non-respect of some flow-through shares agreements and the importance of the future commitments of the Company, the risk is high that the management will have difficulties to obtain the financial resources required for its future projects.

RISK FACTORS**Exploration Risks**

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Environmental and Other Regulations

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Financing and Development

Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of gold and any other mineral discovered are outside the Company's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

Risks Not Covered by Insurance

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

Tax

No assurance can be given that Canada Revenue Agency or that the Quebec Ministry of Revenue will agree with the Company's characterization of expenditures as Canadian exploration expenses.

Conflict of Interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and mining of natural resources properties. Such associations may give rise to conflicts of interests from time to time. The directors of the Company are required by law to act honestly and in good faith of view of the best interests of the Company and to disclose any interest, which they may have on any project or opportunity of the Company. If a conflict arises at the meeting of the board of directors, any director in conflict will disclose his interest and abstain from voting on such matter.

Dependence on Key Personnel

The development of the Company is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other mining companies.

ADDITIONAL INFORMATION FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company discloses the information on exploration and evaluation assets in the note 5 of the interim condensed financial statements for the six-month period ended September 30, 2011.

The Company doesn't have any research and development expenses.

The Company doesn't have other deferred expenses than the mining properties and the deferred exploration expenses.

The general administrative expenses for the quarter ended September 30, 2011, are made up of the following expenses:

Office supplies and expenses	\$2,151
Rents	\$4,381
Telephone	\$2,259
Traveling and representation expenses	\$6,414
Financing Fees, permits and assessment	\$365
Car expenses	<u>\$4,425</u>
For a total amount of	\$19,995

INFORMATION ON OUTSTANDING SHARES

As at September 30, 2011 as well as at the date of this MD&A, the capital stock of the Company was comprised of 63,136,501 common shares issued and outstanding.

Purchase Stock Options

The Company has a stock option plan outstanding and the maximum number of options is 5,000,000. As at November 29, 2011, no option has been exercised.

<u>Number</u>	<u>Exercise Price</u>	<u>Expiration Date</u>
1,335,000	\$0.15	04-03-2012
<u>600,000</u>	\$0.12	09-28-2012
1,935,000		

Warrants

As at November 29, 2011, the outstanding warrants are as follows:

<u>Number</u>	<u>Price</u>	<u>Expiration Date</u>
1,062,500	\$0.11	02-14-2012
733,334	\$0.19	04-21-2012
406,668	\$0.19	06-03-2012
2,208,335	\$0.15	08-21-2012
1,091,666	\$0.155	09-18-2012
1,666,667	\$0.20	09-20-2012
2,118,750	\$0.11	09-28-2012
2,285,714	\$0.18	12-06-2012
2,200,000	\$0.13	02-12-2013
500,000	\$0.10	08-18-2013
4,142,857	\$0.10	12-05-2013
1,833,333	\$0.19	12-01-2013
<u>1,666,667</u>	\$0.19	12-30-2013
21,916,491		

Options issued to brokers and intermediaries

As at the date of this MD&A, the Company has no option issued to brokers and intermediaries outstanding.

STRATEGY AND PERSPECTIVE

The Harker Property is a high quality property and since its acquisition, we have increased our exploration budgets significantly. Most of our financings have been raised to diamond drill the Harker property. This property has become our flagship property. In 2008, we optioned the Tiger Gold property to protect a geological fault, following our geological interpretation of the sector.

We now believe that we have two parallel gold zones. The second parallel gold structure will be drill tested during the up-coming drill program. Positive results could increase significantly the potential of our Harker Property.

Since 2008, our drilling returned many economic gold values. We already defined a large gold system. Our property is contiguous to the Holt-McDermott mine and SAS released a new gold discovery with gold values and widths similar to our results.

The interest of the financial markets for gold confirms the rightness of our decision to concentrate our efforts on gold properties. Our strategy consists in increasing our efforts to accelerate the development of the Harker property.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This report was prepared as at November 29, 2011. The Company regularly discloses additional information in press releases and quarterly reports on the Internet site of SEDAR (www.sedar.com) and on its web site (www.lounor.com).

CERTIFICATE

This MD&A is approved by the board of directors.

(s) Gilles Fiset
Gilles Fiset
November 29, 2011