

NEWSTRIKE RESOURCES LTD.
(A Development Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2010

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Newstrike Resources Ltd. (the "Company" or "Newstrike") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended March 31, 2010. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended March 31, 2010, together with the notes thereto, and the audited annual financial statements for the year ended March 31, 2009, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The audited annual financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Information contained herein is presented as at July 6, 2010, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Newstrike common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Newstrike's website at www.newstrikeresources.com or on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of Newstrike's properties to contain economic gold deposits; the Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2011; the plans, costs, timing and capital for future exploration and development of Newstrike's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for gold; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Newstrike's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, gold price volatility, changes in debt and equity markets, timing and availability of external financing on

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acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with Newstrike's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the gold and development industry, as well as those risk factors listed in the "Risks and Uncertainties" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Newstrike's exploration and development activities; operating and exploration costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Newstrike's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Overview

Newstrike is an early stage gold exploration company primarily focused on the acquisition of properties prospective for gold. As of July 6, 2010, the Company's owns a 50% interest in the Commodore Gold property and a 25% interest in the Swansea property. The Company's strategy is to carry out exploration on its advanced properties with the purpose of defining economic deposits.

The Company also has an option to acquire up to a 50% legal and beneficial interest in the Misema project (defined herein).

Common shares of Newstrike are traded on the TSX Venture Exchange under the symbol NR.

Highlights

- On July 8, 2009, Newstrike and Queenston Mining Inc. ("Queenston") each purchased a 50% interest in four additional mineral claims adjoining the Commodore property to the east. Under terms of the purchase, Newstrike and Queenston each paid the vendor \$10,000 cash for a 100% interest in the claims subject to a 2% net smelter returns royalty ("NSR"). The parties retain the right to purchase half of the NSR at any time upon payment of \$1,000,000.
- On August 27, 2009, Newstrike and Queenston entered into an addendum to the existing joint venture agreement on the Commodore property. Pursuant to the addendum, the following property interests are to be contributed to the Newstrike – Queenston joint venture: (i) nine patented mineral claims known as the Morris claims to be contributed by Newstrike; and (ii) seven patented mineral claims and four unpatented mineral claims, collectively the Queenston claims, to be contributed by

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Queenston. As additional consideration for the contribution made to the joint venture by Queenston, Newstrike issued 600,000 common shares (valued at \$272,400) to Queenston.

- On November 9, 2009, Newstrike entered into an option agreement with Misema Resources Ltd. ("Misema") pursuant to which Newstrike was granted the option to acquire up to a 50% legal and beneficial interest in eight mining claims located in Gauthier Township, Ontario (collectively, the "Misema project").
- At March 31, 2010, the Company had assets of \$3,127,653 and a net equity position of \$2,971,261. This compares with assets of \$1,913,161 and a net equity position of \$1,878,064 at March 31, 2009. The Company has \$156,392 of liabilities and no debt. The Company spent \$454,404 during the year ended March 31, 2010, on exploration activities on its mineral resource properties. At March 31, 2010, the Company had mineral resource properties of \$1,426,136, compared to \$553,655 at March 31, 2009. The majority of expenditures during the year ended March 31, 2010, were incurred on the Commodore gold property. See "Mineral Exploration Properties" below.
- At March 31, 2010, the Company had working capital of \$1,530,125, compared to \$1,309,409 at March 31, 2009, an increase of about 17%. The Company had cash and term deposits of \$1,670,346 at March 31, 2010, compared to \$1,312,501 at March 31, 2009, an increase of about 27%. The increase in working capital, cash and term deposits during the year ended March 31, 2010, is primarily due to the completion of the Company's non-brokered private placement.
- On October 19, 2009, Newstrike closed a non-brokered private placement pursuant to which it issued an aggregate of 1,666,666 flow-through units at a price of \$0.60 per unit to raise aggregate gross proceeds of about \$1,000,000. Each unit consists of one flow-through common share and one share purchase warrant of Newstrike. Each such share purchase warrant entitles the holder thereof to acquire one additional common share of Newstrike (which will not be a flow-through share) for a period of 24 months at an exercise price of \$0.75 per share. Share issuance costs of \$58,907 were incurred in relation to the offering.

Insiders of Newstrike subscribed for an aggregate of 183,000 units in connection with the offering (Carmelo Marrelli ("Marrelli"), Chief Financial Officer, subscribed for 8,000 units and Jonpol Investments Ltd. subscribed for 175,000 units. John A. Pollock, Newstrike's Chief Executive Officer, beneficially controls Jonpol.

- Pursuant to the terms of the flow-through share agreements, the Company is complying with its flow-through contractual obligations with subscribers. At March 31, 2010, the Company is committed to incurring approximately \$801,000 in qualifying expenditures arising from its flow-through offerings. The Company anticipates spending this commitment by December 31, 2010.
- The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian GAAP for publicly accountable enterprises, including Newstrike, effective for fiscal years beginning on or after January 1, 2011. Early adoption of IFRS is permitted upon receipt of approval from the Canadian Securities Administrators ("CSA"). On December 8, 2009, the CSA approved Newstrike's application for early adoption of IFRS for the financial year beginning on April 1, 2010.

Accordingly, Newstrike will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended June 30, 2010. Newstrike's 2010 interim and annual financial

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statements will include comparative 2009 financial statements, adjusted to comply with IFRS. See "Change in Accounting Policies" below.

Trends

The Company is a Canadian-based mineral exploration company primarily focused on the acquisition of properties prospective for gold if such acquisition is consistent with the Company's objectives and acquisition criteria. The Company's financial success will be dependent upon the extent to which it can discover minerals and the economic viability of developing its properties. Such development may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral resources and reserves and to date has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the commodities produced.

Although economic conditions in Canada and elsewhere have somewhat improved, the Company remains cautious in case the economic factors that impact the mining industry deteriorate. These factors include uncertainty regarding the price of gold, and the availability of equity financing for the purposes of mineral exploration and development. The price of gold has been volatile in recent periods and financial markets have deteriorated to the point where it has become extremely difficult for companies, particularly junior exploration companies, to raise new capital, even though there are signs the situation is improving. The Company's future performance is largely tied to the development of its current mineral property interests and the overall financial markets. Financial markets are likely to be volatile for the remainder of calendar 2010 and the early part of calendar 2011, reflecting ongoing concerns about the local and global economy. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Company's current strategy is to continue to explore the Commodore Gold property and Misema project and to seek out other prospective business opportunities. The Company believes that this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining momentum on key initiatives. These trends may limit the Company's ability to develop and/or further explore its property interests, and/or other property interests that could be acquired in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates into short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company at March 31, 2010, 2009 and 2008 and for the years ended March 31, 2010, 2009 and 2008.

	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Net loss	\$(249,406)	\$(1,419,059)	\$(429,437)
Net loss per share (basic and diluted)	\$(0.01)	\$(0.09)	\$(0.03)
	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Total assets	\$3,127,653	\$1,913,161	\$2,429,290

- The net loss for the year ended March 31, 2010, consisted primarily of (i) stock option compensation of \$346,720; and (ii) other working capital expenditures incurred to maintain the operations of the Company. These amounts were offset by future income tax recovery of \$245,833.
- The net loss for the year ended March 31, 2009, consisted primarily of (i) write-off of mineral resource properties of \$1,487,778; and (ii) other working capital expenditures incurred to maintain the operations of the Company. These amounts were offset by future income tax recovery of \$316,070.
- The net loss for the year ended March 31, 2008, consisted primarily of (i) write-off of mineral resource properties of \$142,997; (ii) stock option compensation of \$226,300; and (iii) other working capital expenditures incurred to maintain the operations of the Company. These amounts were offset by future income tax recovery of \$185,600.
- As the Company has no revenue, its ability to fund its operations is dependent upon its securing financing through equity or the sale of assets. The value of any resource property asset is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties. See "Trends" above and "Risks and Uncertainties" below.

Environmental Contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of the date of this filing, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Mineral Exploration Properties

None of Newstrike's properties is at or near production. The principal assets of the Company at July 6, 2010, are the Commodore Gold property and the Misema Project. The Company also has an interest in the Swansea property.

Commodore Gold Property

In February 2009, Queenston and Newstrike formed a 50%-50% joint venture ("JV") to purchase and explore 36 mineral claims located in Lebel and Gauthier Townships. In August 2009 the joint venture completed the purchase, with each party paying the vendor \$95,000 cash and issuing 35,000 shares of Newstrike and 10,000 shares of Queenston. In September, the joint venture consolidated a larger land package in the area with the purchase of an additional four adjoining claims from a third party, Newstrike contributing its nine-claim Morris property and Queenston adding 11 boundary claims. The combined Commodore property now contains 56 mineral claims (923 hectares) comprising 28 patented and 28 unpatented claims. As additional consideration for the contribution made to the JV by Queenston, Newstrike issued 600,000 common shares to Queenston. In October 2009 the JV commenced an exploration program on the property targeting a variety of gold zones with Queenston acting as operator.

Gold was first discovered on the property in early 1930s. From 1936 to 1941 Morris Kirkland Gold Mines milled 111,566 tons recovering 16,699 oz of gold and 29,300 oz of silver at recovered grades of 4.5 g/t Au and 7.9 g/t Ag respectively. Two shafts service the property with the #1 to approximately 35 metres and the #2 to approximately 495 metres. Since the mine shut in 1941, very little work was completed at the mine site. Apart from a variety of individuals and junior companies completing small programs, including geophysics and drilling, from 1944 to 1994 very little exploration was performed on the Commodore property. In 1995 Sudbury Contact Mines commenced exploration leading to the discovery of the Commodore Zone, a shallow gold deposit containing a historic mineral resource. At the Morris mine, Newstrike completed a program of stripping and shallow drilling in 2008.

The Commodore property is favourably located within a key structural - stratigraphic corridor that hosts significant gold mineralization in the Kirkland Lake gold camp. The property is centred along the Lebel – Gauthier Township line between the past producing Bidgood, Moffat Hall and Morris gold mines to the west in Lebel Township and the Upper Canada Mine to the east in Gauthier Township. The Commodore property is underlain by an east-west trending southerly dipping sequence of volcanic and sedimentary

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rocks of the Timiskaming assemblage. This is the same assemblage of rocks that hosts the Kirkland Lake main break gold deposits 10 km to the west and the Upper Canada Mine, two km to the east.

In terms of gold potential, the most favourable rocks occur on the southern portion of the property within a structural corridor related to the Larder Lake Break ("LLB"). The LLB is located one km south of the property and two subsidiary structures, the Upper Canada Break and O3 Break, trend through the property one kilometre apart. Within the structural corridor the rocks are deformed, carbonated, contain disseminated pyrite and hosts the Commodore gold deposit. Gold mineralization has been identified in the southwestern portion of the property along the Upper Canada Break north of Highway 66. Along this structure, the Highway Zone occurs in intensely altered volcanic and sedimentary rocks containing pyrite, chalcopyrite and magnetite. Surface grab samples taken by Sudbury Contact Mines in 1995 from the zone returned gold values up to 2.4 g/t.

Drilling by Sudbury Contact in 1995-96 outlined the Commodore Zone below and north of the Highway Zone. The Commodore Zone represents a zone of mineralized breccia at the sedimentary – volcanic contact in the vicinity of the Upper Canada Break. A total of 21 holes were drilled by Sudbury Contact outlining a 250-metre-long gold zone with an average thickness of 11.7 metres to a vertical depth of 180 metres. The zone strikes at an azimuth of 100 degrees and dips 55 degrees to the south. The best intersection was in hole Egg-8 reporting 5.5 g/t Au over 20 metres including 12.4 g/t Au over 6.7 metres. Approximately one km west of the Commodore Zone, the Egg Zone was discovered in a single drill assaying 43.5 g/t over a core length of 1.5 metres.

Following the drilling program, Sudbury Contact Mines calculated an inferred mineral resource for the Commodore Zone of 669,500 t grading 2.4 g/t averaging 7.9 metres thick including a higher grade inferred resource of 278,500 t grading 3.8 g/t with an average thickness of 3.5 metres. The resource was calculated by W.A. Hubacheck Consultants Limited in a report dated January 1997 filed with the Ontario Ministry of Northern Development and Mines. This resource is not compliant with National Instrument 43-101 and should not be relied upon because it has not been verified by a qualified person under guidelines set out by the Canadian Securities Administrators.

2009-10 Programs

In October 2009 the JV commenced an exploration program on the property and by May 2010 completed 35 diamond drill holes (8,777.5 metres) and ground geophysics. To date, Newstrike's share of exploration costs in 2009 and 2010 amounts to approximately \$556,000.

During the first phase of the program (October 2009 to February 2010), 16 drill holes were completed (4,585 metres) targeting the southern portion of the property where drilling and geophysics have outlined a broad alteration corridor that has been traced for 2.5 km containing the Commodore and Egg Zones. At Commodore, six holes targeted the main Highway Zone and at the Egg Zone, 10 holes were completed. The drilling intersected wide zones of low grade mineralization at the Commodore Zone including: 1.3 g/t Au over 11.6 m (hole COM-09-07), 0.8 g/t Au over 47.0 m including 3.1 g/t over 7.3 m (hole COM-09-09) and 0.3 g/t over 172.2 m including 0.6 g/t over 17.0 m (hole COM-09-06). At the Egg Zone, located one km west of Commodore, higher grade intervals were encountered including: 3.6 g/t Au over 10.6 m including 6.3 g/t Au over 5.0 m and 14.9 g/t over 1.0 m (hole COM-09-04), 6.8 g/t Au over 1.0 m (hole COM-09-14), 3.6 g/t Au over 2.6 m (hole COM-09-13) and 1.1 g/t Au over 9.4 m (hole COM-09-11).

The second phase of the program commenced in March and included geophysical surveys (magnetometer and IP) and 19 diamond drill holes (4,192.5 m). Eight holes were drilled targeting a series of previous IP anomalies in the central portion of the property with six returning no significant gold values. Holes COM-10-20 and -22 intersected a porphyry body returning low grade gold intervals of 0.31

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g/t Au over 12.3 m and 0.96 g/t Au over 1.0 m, respectively. An additional four holes tested new IP geophysical anomalies on the southern portion of the property with gold values recorded in COM-10-26 (0.41 g/t Au over 3.0 m and 0.86 g/t Au over 2.0 m) and COM-10-27 (1.17 g/t Au over 0.8 m). Two holes (COM-10-29 and -30) were completed on the Commodore Zone testing the western dip and strike potential of the mineralization. Hole COM-29 intersected four intervals assaying 0.30 g/t Au over 9.0 m, 2.81 g/t Au over 0.8 m, 0.21 g/t Au over 16.0 m and 1.23 g/t Au over 1.0 m. Hole COM-10-30 intersected a 49.3 m thick interval assaying 0.49 g/t Au including 0.8 g/t Au over 20.3 m and 2.77 g/t Au over 3.0 m. The remaining five holes of the program targeted the Egg Zone. Hole COM-10-31 tested an IP anomaly located west of the zone intersecting two narrow intervals assaying 0.96 g/t Au over 1.0 m and 1.0 g/t Au over 1.1 m. Hole COM-10-32 drilled on the western portion of the Egg Zone intersected 1.16 g/t Au over 7.1 m. Holes COM-10-33 and -34 were drilled to the east of the Egg Zone both intersecting no significant values. Hole COM-10-35 drilled in the central portion of the zone intersected deeper mineralization assaying 2.5 g/t Au over 5.0 m including 4.46 g/t Au over 1.0 m.

As a result of the JV drilling completed to date, the southern portion of the property continues to hold the highest potential. The Commodore Zone has now been extended by drilling over a length of 500 m and to a vertical depth of 300 m. The zone remains open to the west and appears to be cut off by a near vertical dipping fault to the south and at depth. Approximately one km west of the Commodore Zone, drilling has outlined a similar style of mineralization at the Egg Zone over a length of 300 m and to a vertical depth of 300 m. This zone is open to the west and to depth.

Recently, the JV has commenced a third phase of drilling on the Commodore property with a minimum of six holes (2,000 m). Two holes are planned at the Morris mine to begin an evaluation of what was previously mined and to determine the potential for new mineralization. Two additional holes will test the western extension of the Commodore Zone and one hole will test the Egg Zone at depth below 300 m. The final hole will target a priority IP anomaly on the eastern portion of the property. Following the results of this program, the JV will determine further drilling on the property.

At the date of this MD&A, the Company is expected to incur exploration expenditures of \$721,000 on the Commodore Gold property to offset Newstrike's flow-through commitment of \$801,000.

As operator of the Commodore JV, the design of the program, QA/QC and interpretation of results is under the control of Queenston's geological staff including Qualified Persons employing a QA/QC program consistent with NI 43-101 and industry best practices. The program is supervised by consulting geologist, Gerhard Meyer, P. Geo. The drill core was logged and split with half-core samples shipped to Polymet Laboratories of Cobalt, Ontario, and analyzed employing the appropriate gold fire assaying technique. For QA/QC purposes Queenston as well as the lab submits standards and blanks every 25 samples. Approximately 5% of sample rejects and/or pulps are sent to other laboratories for check assaying.

The technical information on the Commodore property was reviewed by Queenston's Vice-President of Exploration and qualified person William McGuinty, P. Geo.

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Table of Commodore Drilling Results

Hole #	Section	From (m)	To (m)	Interval (m)	Au (g/t)	Zone	
COM-09-01	19+75W	87.5	106.6	19.9	0.6	Egg	
		180.3	183.5	3.2	1.0	Egg	
COM-09-02	19+25W	130.0	131.0	1.0	2.1	Egg	
COM-09-03	19+75W	77.0	89.7	12.7	0.7	Egg	
		including	79.0	80.0	1.0	4.8	Egg
COM-09-04	20+25W	186.2	197.0	10.8	3.6	Egg	
		including	189.0	194.0	5.0	6.3	Egg
		and	190.0	191.1	1.0	14.9	Egg
			201.0	201.8	0.8	2.9	Egg
COM-09-05	8+50W	46.6	49.4	2.8	2.9	Commodore	
COM-09-06	6+75W	98.0	270.2	172.2	0.3	Commodore	
		including	98	119	21.0	0.4	Commodore
		and	147.0	163.0	16.0	0.5	Commodore
		and	179.0	187.5	8.5	0.6	Commodore
COM-09-07	5+75W	27.0	84.0	57.0	0.3	Commodore	
			180.3	186.0	5.7	0.8	Commodore
			218.4	230.0	11.6	1.3	Commodore
COM-09-08	4+75W	176.0	183.6	7.6	0.4	Commodore	
COM-09-09	8+50W	192.0	327.0	135.0	0.5	Commodore	
		including	280.0	327.0	47.0	0.8	Commodore
		including	319.7	327.0	7.3	3.1	Commodore
COM-09-10	3+75W	84.0	105.4	21.4	0.4	Commodore	
COM-09-11	20+25W	131.0	132.6	1.6	1.5	Egg	
			251.6	261.0	9.4	1.1	Egg
		including	256.0	257.0	1.0	3.8	Egg
COM-09-12	20+75W	53.8	55.2	1.4	1.0	Egg	
COM-09-13	20+25W	42.9	59.6	16.7	0.3	Egg	
			85.3	87.9	2.6	3.6	Egg
COM-09-14	20+75W	105.0	106.0	1.0	6.8	Egg	
			115.0	118.1	3.1	0.5	Egg

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COM-09-15	20+75W	111.9	115.0	3.1	0.6	Egg
COM-09-16	22+00W	38.0	42.0	4.0	1.5	Egg
	including	38.0	39.0	1.0	2.5	Egg
COM-10-17	1+00W				NSV	Central IP
COM-10-18	3+50W				NSV	Central IP
COM-10-19	6+00W				NSV	Central IP
COM-10-20	7+00W	72.7	85.0	12.3	0.31	Central IP
COM-10-21	10+30W				NSV	Central IP
COM-10-22	14+50W	178.0	179.0	1.0	0.96	Central IP
COM-10-23	5+00E				NSV	Central IP
COM-10-24	1+50W				NSV	Central IP
COM-10-25	22+00W				NSV	South IP
COM-10-26	21+00W	29.0	32.0	3.0	0.41	South IP
		105.0	107.0	2.0	0.86	South IP
COM-10-27	23+00W	131.9	132.7	0.8	1.17	South IP
COM-10-28	2+00W				NSV	South IP
COM-10-29	9+00W	110.0	119.9	9.0	0.30	Commodore
	including	116.0	117.0	1.0	1.23	Commodore
		131.0	147.0	16.0	0.21	Commodore
		166.2	167.0	0.8	2.81	Commodore
		448.0	449.0	1.0	1.23	Commodore
COM-10-30	8+00W	39.7	84.6	49.3	0.49	Commodore
	including	39.7	60.0	20.3	0.80	Commodore
	including	53.0	56.0	3.0	2.77	Commodore
COM-10-31	24+50W	39.0	40.0	1.0	0.96	Egg
		72.0	73.0	1.0	1.10	Egg
COM-10-32	21+50W	152.9	160.0	7.1	1.16	Egg
		222.5	225.0	2.5	0.36	Egg
COM-10-33	18+00W				NSV	Egg
COM-10-34	16+00W				NSV	Egg
COM-10-35	20+25W	92.2	96.0	3.8	0.66	Egg
		219.0	222.0	1.0	1.17	Egg
		288.0	293.0	5.0	2.50	Egg
	including	292.0	293.0	1.0	4.46	Egg
		311.3	316.0	4.7	0.88	Egg

Note: Intervals reported are core lengths as true widths have not been determined. NSV =No Significant Values

The Swansea Property

The Company has a 25% interest in the Swansea property in Ontario. The property is subject to care and maintenance costs.

The Misema Property

On November 9, 2009, Newstrike entered into an option agreement with Misema pursuant to which Newstrike was granted the option to acquire up to a 50% legal and beneficial interest in the Misema property. John Pollock is the President of both Newstrike and Misema.

In order to acquire an initial 20% interest in the Misema property, Newstrike was required to make a cash payment of \$10,000 (paid) and to incur aggregate exploration expenditures on the Misema property of \$90,000 over a one-year period. Upon exercise of its option to earn a 20% interest in the Misema property, Newstrike could thereafter elect to earn an additional 30% interest in the Misema property (for an aggregate 50% interest) by incurring an additional \$400,000 in exploration expenditures on the property over the subsequent two-year period.

At the date of this MD&A, the Company is expected to incur exploration expenditures of \$80,000 on the Misema property to offset Newstrike's flow-through commitment of \$801,000.

Overall Objective

The Company's overall objective is to discover an economically viable mineral deposit on a property it has an interest in. The Commodore Gold property and the Misema project, being the Company's only significant mineral resource assets at July 6, 2010, will remain the focus of exploration efforts over the short to medium term. In the near term, this includes completing the Company's flow-through commitment of approximately \$801,000.

The Company's ability to raise capital may be materially impacted by the volatility in the capital markets that the world has experienced beginning in 2008 and that continues at the date of this MD&A. See "Trends" above.

The Company expects to acquire additional grass roots exploration properties in the future to pursue the development of minerals, which if discovered, could be economically significant. This will work towards achieving the Company's ultimate goal of identifying an economically viable mineral deposit.

The Company has not discovered an economically viable mineral deposit at the date of this MD&A. While discovery of ore-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Company notes that although the exploration of its existing projects is positive, mineral exploration in general is uncertain. As a result, the Company believes that by acquiring additional mineral properties, it is able to better minimize overall exploration risk. In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, their location, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by the Company may not result in discoveries of commercial

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quantities of minerals; environmental risks; risks associated with land title; the competition faced by the Company; and the potential failure of the Company to generate adequate funding for any such acquisitions. See "Risks and Uncertainties" below.

Selected Quarterly Information

A summary of selected information for each of the eight most recent quarters is as follows.

Three Months Ended	Net Revenues (\$)	Net income (loss)		Total Assets (\$)
		Total (\$)	Basic and diluted income (loss) per share (\$)	
2010-March 31	-	181,649 ⁽¹⁾	0.01	3,127,653
2009-December 31	-	(328,830) ⁽²⁾	(0.02)	3,138,927
2009-September 30	-	(57,774) ⁽³⁾	(0.00)	2,164,455
2009-June 30	-	(44,451) ⁽⁴⁾	(0.00)	1,936,230
2009-March 31	-	250,413 ⁽⁵⁾	0.02	1,913,161
2008-December 31	-	(40,991) ⁽⁶⁾	(0.00)	1,956,498
2008-September 30	-	(1,110,557) ⁽⁷⁾	(0.07)	2,158,793
2008-June 30	-	(517,924) ⁽⁸⁾	(0.04)	3,188,491

Notes:

- (1) Net income of \$181,649 principally relates to the Company issuing flow-through shares. The Company renounced \$983,333 of qualifying expenditures to the shareholders during the fourth quarter of fiscal 2010. The tax benefit forgone by the Company in 2010 at the enacted tax rates amounted to \$245,833. This amount was offset by legal and audit fees of \$18,000. All other expenses related to general working capital purposes.
- (2) Net loss of \$328,830 principally relates to stock option compensation of \$346,720. All other expenses related to general working capital purposes. The Company also recorded a gain from the sale of short-term investments of \$65,309.
- (3) Net loss of \$57,774 principally relates to consulting fees of \$14,500 and legal and audit fees of \$10,472. All other expenses related to general working capital purposes.
- (4) Net loss of \$44,451 principally relates to consulting fees of \$13,500 and a net charge to interest income of \$6,695 as a result of an interest over-accrual at March 31, 2009. All other expenses related to general working capital purposes.
- (5) Net income of \$250,413 principally relates to the Company issuing flow-through shares. The Company renounced \$1,089,900 of qualifying expenditures to the shareholders during the fourth quarter of fiscal 2009. The tax benefit forgone by the Company in 2009 at the enacted tax rates amounted to \$316,070. This amount was offset by legal and audit fees of \$18,344. All other expenses related to general working capital purposes.
- (6) Net loss of \$40,991 principally relates to the write-off of the Jean property in the amount of \$16,396. All other expenses related to general working capital purposes.
- (7) Net loss of \$1,110,557 principally relates to the write-off of the Jean property and the Sudbury U3O8 project in the amount of \$1,046,184. All other expenses related to general working capital purposes.
- (8) Net loss of \$517,924 principally relates to the write-off of the Swansea property of \$425,198 and legal and audit fees of \$63,845. All other expenses related to general working capital purposes.

Results of Operations

Year ended March 31, 2010, compared with year ended March 31, 2009

Newstrike's net loss totaled \$249,406 for the year ended March 31, 2010, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$1,419,059 with basic and diluted loss per share of \$0.09 for the year ended March 31, 2009. The decrease of \$1,169,653 in net loss was principally because:

- The write-off of mineral resource properties decreased by \$1,487,778 for the year ended March 31, 2010, compared to the same period in 2009. The decrease can be attributed to management's decision to write off the Swansea property, Jean property and Sudbury U3O8 project in fiscal 2009;
- The Company incurred an increase in stock-based compensation of \$303,200 for the year ended March 31, 2010, compared to the same period in 2009. The increase can be attributed to the issue of 320,000 stock options in 2009 compared to 880,000 stock options issued in 2010.

On November 27, 2009, the Company granted 880,000 stock options to directors, officers and consultants at an exercise price of \$0.55 per share, expiring on November 27, 2014. These stock options vested immediately. The fair value of stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%; volatility 93%; risk-free interest rate 2.08%; and an expected life of five years. As a result, the fair value of the stock options was estimated as \$346,720.

On February 13, 2009, the Company granted 120,000 stock options to a consultant at an exercise price \$0.25 per share until February 13, 2010. These stock options vested immediately. The fair value of stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%; volatility 92%; risk-free interest rate 1.22%; and an expected life of one year. As a result, the fair value of the stock options was estimated as \$9,120.

On September 3, 2008, the Company granted 200,000 stock options to a consultant at an exercise price of \$0.60 per share until September 3, 2009. These stock options vested immediately. The fair value of stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%; volatility 86%; risk-free interest rate 2.76%; and an expected life of one year. As a result, the fair value of the stock options was estimated as \$34,400.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the maximum term ascribed to these stock options for the purpose of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted.

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Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
 - Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future because it does not expect to bring its mineral properties into production and earn significant revenue any time soon. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.
- Legal and audit fees decreased by \$48,999 for the year ended March 31, 2010, compared to the same period in 2009. The decrease can be attributed to less corporate activity requiring legal assistance from outside legal counsel during the 2010 period compared to the 2009 period;
 - Accounting and corporate secretarial services consisted of fees paid to Marrelli Support Services Inc. ("MSSI") and to a third party service provider to maintain the Company's reporting issuer status (See "Related Party Transactions" for further information). The increase in fees of \$2,970 relates to lower flow-through administration costs in the 2009 period compared to the 2010 period;
 - For the year ended March 31, 2010, \$34,000 of consulting fees was paid to Donald T. Rankin, a director, and \$1,000 to John A. Pollock, CEO (See "Related Party Transactions" for further information). For the comparative period in 2009, Donald T. Rankin was paid \$26,000, and J. Barrie Hancock was paid \$1,125;
 - For the year ended March 31, 2010, directors' fees of \$5,400 were paid (year ended March 31, 2009 - \$4,200). Director fees were paid to directors of the Company for attending meetings and fulfilling their responsibilities to the Company. (See "Related Party Transactions" for further information);
 - Office and general expenses decreased by \$8,343. Office and general expenses totaled \$57,987 for the year ended March 31, 2010, (year ended March 31, 2009 - \$66,330) and consisted of administrative costs such as advertising and promotion, telephone, rent, insurance, postage and courier charges. The decrease can be attributed to less corporate activity in the 2010 period compared to the 2009 period;
 - Transfer agent fees and filing fees were paid to a transfer agent for transfer registry services and to a SEDAR filer for filing public documents on SEDAR. This amounted to \$21,316 for the year ended March 31, 2010, compared to \$15,975 for the comparative period in 2009. The increase of \$5,341 can be attributed to increased corporate activity requiring such services in the 2010 period compared to the 2009 period;
 - The Company paid \$4,255 in Part XII.6 tax to the Government of Canada for instituting the look-back rule in December 2008 on renounced flow-through expenditures compared to \$2,056 for the comparative period in 2007. The Company is complying with its flow-through obligations to the Canada Revenue Agency, Canada's taxation authority;

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- For the year ended March 31, 2010, a net charge to interest income of \$5,431 was realized due to an over-accrual for interest income in the fiscal year ended March 31, 2009. For the year ended March 31, 2009, the company had interest income of \$42,024;
- For the year ended March 31, 2010, the Company sold all its share position in PCI-1 Capital Corp. and Gowest Amalgamated Resources Ltd. for a gain of \$65,659. No gain or loss was recorded for the year ended March 31, 2009; and
- All other expenses related to general working capital purposes.

Three months ended March 31, 2010, compared with three months ended March 31, 2009

Newstrike's net income totaled \$181,649 for the three months ended March 31, 2010, with basic and diluted income per share of \$0.01. This compares with a net income of \$250,413 with basic and diluted income per share of \$0.02 for the three months ended March 31, 2009. The decrease of \$68,764 in net income was principally because:

- The Company incurred a decrease in stock-based compensation of \$9,120 for the three months ended March 31, 2010, compared to the same period in 2009. The decrease can be attributed to the issue of 120,000 stock options in 2009 compared to nil stock options issued in 2010.

On February 13, 2009, the Company granted 120,000 stock options to a consultant at an exercise price \$0.25 per share until February 13, 2010. These stock options vested immediately. The fair value of stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%; volatility 92%; risk-free interest rate 1.22%; and an expected life of one year. As a result, the fair value of the stock options was estimated as \$9,120.

Several variables are used, including the expected term, volatility, risk-free interest rate and dividend yield, when determining the value of stock options, using the Black-Scholes valuation model, as described on pages 14 and 15.

- For the three months ended March 31, 2010, \$16,000 of consulting fees was paid to Donald T. Rankin, a director (See "Related Party Transactions" for further information). For the comparative period in 2009, Donald T. Rankin was paid \$9,000;
- For the three months ended March 31, 2010, directors' fees of \$1,000 were paid (three months ended March 31, 2009 - \$2,000). Director fees were paid to directors of the Company for attending meetings and fulfilling their responsibilities to the Company. (See "Related Party Transactions" for further information); and
- All other expenses related to general working capital purposes.

Liquidity and Capital Resources

The activities of the Company, which primarily consist of the acquisition and exploration of properties prospective for gold, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the year ended March 31, 2010, 635,000 common shares were issued to acquire a 50% interest in the Commodore Gold property and 120,000 stock

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options were exercised for cash proceeds of \$30,000. On October 19, 2009, Newstrike closed its non-brokered private placement pursuant to which it issued an aggregate of 1,666,666 flow-through units at a price of \$0.60 per unit to raise aggregate gross proceeds of approximately \$1,000,000. Each unit consists of one flow-through common share and one share purchase warrant of Newstrike. Each such share purchase warrant entitles the holder thereof to acquire one additional common share of Newstrike (which will not be a flow-through share) for a period of 24 months at an exercise price of \$0.75 per share. Share issuance costs of \$58,907 were incurred in relation to the offering. Insiders of Newstrike subscribed for an aggregate of 183,000 units in connection with the offering. Marrelli, CFO, subscribed for 8,000 units and Jonpol Investments Ltd. subscribed for 175,000 units. Jonpol is beneficially controlled by John A. Pollock, Newstrike's CEO.

Pursuant to the terms of the flow-through share agreements, the Company is complying with its flow-through contractual obligations with subscribers. At March 31, 2010, the Company was committed to incurring approximately \$801,000 in qualifying expenditures arising from its flow-through offerings. The Company anticipates spending this commitment by December 31, 2010.

The Company relies on external financings to generate capital. As a result, the Company continues to incur net losses. As of March 31, 2010, the Company had 18,489,966 common shares issued and outstanding, 1,805,000 options outstanding that would raise \$1,295,500 if exercised in full and 1,666,666 warrants outstanding that would raise \$1,250,000 if exercised in full. This is not anticipated until the financial markets recover. See "Trends" above.

Accounts payable and accrued liabilities increased to \$156,264 at March 31, 2010, compared to \$35,097 at March 31, 2009, primarily due to Commodore Gold property accruals. The Company's cash, term deposits and short-term investments at March 31, 2010, were sufficient to pay these material liabilities.

The Company paid \$95,000 and \$10,000, respectively, to independent third parties and issued 35,000 and 600,000 common shares, respectively, in compliance with the Commodore Gold property acquisition terms. In addition, the Company paid \$10,000 to Misema in compliance with the Misema option agreement. See "Mineral Exploration Properties" above.

Cash used in operating activities was \$225,528 for the year ended March 31, 2010. Operating activities were affected by the net change in non-cash working capital balances of \$11,350 because of an increase in other receivable and prepaids and an increase in accounts payable and accrued liabilities over the prior year. In addition, the Company recorded a gain from the sale of PCI and Gowest of \$65,659 and stock option compensation of \$346,720 during the most recent period.

Cash used in investing activities was \$163,629 for the year ended March 31, 2010, which relates to the redemption of term deposits of \$1,224,091 and proceeds of \$66,684 from the sale of PCI and Gowest. Expenditures on mineral resource properties, exploration expenditures of \$454,404 and the purchase of term deposits of \$1,000,000 offset this.

Cash provided by financing activities was \$971,093 for the year ended March 31, 2010, which relates to the exercise of 120,000 stock options at an exercise price of \$0.25 per share for cash proceeds of \$30,000 and the closing of a non-brokered private placement pursuant to which the company issued an aggregate of 1,666,666 flow-through units at a price of \$0.60 per unit to raise aggregate gross proceeds of approximately \$1,000,000. Share issuance costs of \$58,907 were incurred in relation to the offering.

The Company has no operating revenues and therefore must utilize its current cash reserves, income from term deposits, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet working capital requirements, its ongoing discretionary exploration program

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and operating activities. The Company anticipates going to the market to raise capital when the opportunity arises. See "Risk and Uncertainties" of this MD&A.

To the date of this MD&A, the cash resources of the Company are held in cash and term deposits with the Royal Bank of Canada. The Company does not have any asset-backed commercial paper.

The Company continues to have no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's liquidity risk with financial instruments is minimal as excess cash is invested in short-term guaranteed deposits. In addition, other receivable is composed of sales tax owing from government authorities in Canada.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its mineral claims. Currently, the Company's operating expenses are averaging approximately \$15,000 to \$20,000 per month, excluding non-recurring items, for working capital related expenses. The Company also plans to incur exploration expenditures of approximately \$721,000 on the Commodore Gold property and \$80,000 on the Misema property, which is a part of the Company's total flow-through commitment of \$801,000. Assuming that management is successful in discovering a viable mineral deposit on one of its mining interests, future plans to develop the property will depend upon the Company's assessment of prior results, the condition of the Company financially and the then prevailing economic climate in general.

Regardless of whether or not the Company discovers a viable mineral deposit, its working capital of \$1,530,125 at March 31, 2010, is anticipated to be adequate for it to continue its operations at the current level for the next twelve-month period ending March 31, 2011. However, to meet long-term business plans, the exploration of the Commodore Gold property and Misema property is an important component of the Company's financial success.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate properties and corporate entities that it may acquire in the future. See "Overall Objective" above.

Related Party Transactions

- The Company paid Marrelli CFO Outsource Syndicate Inc. for the services of Marrelli to act as CFO of the Company. Marrelli beneficially owns Marrelli CFO Outsource Syndicate Inc. The CFO is also the president of MSSSI, which provides accounting services to Newstrike. For the year ended March 31, 2010, total services provided by Marrelli CFO Outsource Syndicate Inc., Marrelli and MSSSI were allocated as follows:

	Year ended March 31, 2010 \$	Year ended March 31, 2009 \$
Accounting and corporate secretarial services (paid to MSSSI)	37,490	39,225
CFO function provided by Marrelli (paid to Marrelli CFO Outsource Syndicate Inc.)	18,000	18,000
Total	55,490	57,225

- At March 31, 2010, MSSSI was owed \$2,912 (March 31, 2009 - \$2,740).
- For the year ended March 31, 2010, the Company paid consulting fees of \$43,400 (for the year ended March 31, 2009 - \$61,455) to directors of the Company. The fees were allocated as follows:

Director Names	Year ended March 31, 2010 \$	Year ended March 31, 2009 \$
Barrie Hancock ⁽³⁾	nil	1,125
John A. Pollock ⁽³⁾	8,400 ⁽¹⁾	34,330 ⁽²⁾
Donald T. Rankin ⁽⁴⁾	35,000	26,000
Total	43,400	61,455

- (1) \$8,400 was charged to mineral resource properties;
(2) \$34,330 was charged to mineral resource properties;
(3) Consulting fees pertain to geological consulting services; and
(4) Consulting fees pertain to administrative services.

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- For the year ended March 31, 2010, the Company paid director fees of \$5,400 (for the year ended March 31, 2009 - \$4,200). The director fees were allocated as follows:

Director Names	Year ended March 31, 2010 \$	Year ended March 31, 2009 \$
Barrie Hancock	1,000	600
Donald T. Rankin	1,000	800
Ewan Downie	200	200
John A. Pollock	1,000	800
Murray W. Cooper	1,000	800
Tom Flynn	1,200	1,000
Total	5,400	4,200

- Insiders of Newstrike subscribed for an aggregate of 183,000 units in connection with the flow-through offering that closed on October 19, 2009 (Marrelli, CFO, subscribed for 8,000 units and Jonpol Investments Ltd. subscribed for 175,000 units. Jonpol is beneficially controlled by John A. Pollock, Newstrike's CEO.
- John Pollock is the President of both Newstrike and Misema.
- The transactions above are in the normal course of operations and are measured at the exchange value (the amount established and agreed to by the related parties), which approximates the arm's length equivalent value. Amounts due to related parties are non-interest bearing, unsecured and subject to normal trade payments terms.

Critical Accounting Estimates

The preparation of the Company's audited financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered significant are the valuation of the Company's mineral resource properties, warrants and stock-based compensation.

The policy of capitalizing exploration costs to date does not necessarily relate to the future economic value of the exploration properties. The valuation of mining interests is dependent entirely upon the discovery of economic mineral deposits.

The Company uses the Black-Scholes model to determine the fair value of warrants and stock options. The main factor affecting the estimates of stock-based compensation and warrants is the stock price volatility used. The Company uses historical price data and comparables in the estimate of future volatility.

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Other items requiring estimates for the audited financial statements are other receivable, accounts payable and accrued liabilities and future income taxes.

Change in Accounting Policies

During the year ended March 31, 2010, the Company adopted the following new accounting policies:

Fair Value Hierarchy and Liquidity Risk Disclosure

In June 2009, the CICA amended Section 3862, Financial Instruments - Disclosures ("Section 3862"), to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The three levels of fair value hierarchy under Section 3862 are:

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

The Company's financial instruments include cash, term deposits, short-term investments, other receivable and accounts payable and accrued liabilities.

With respect to all of these financial instruments, the Company estimates that the fair value of these financial instruments approximates the carrying values at March 31, 2010 and 2009, respectively, and as such they are classified within Level 1 of the fair value hierarchy. The Company's short-term investments in public companies were valued using quoted bid prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the securities was calculated as the quoted bid price of the equity security multiplied by the quantity of shares held by the Company.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee of the CICA issued EIC 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations for the year ending March 31, 2010.

Goodwill and Intangible Assets

Effective April 1, 2009, the Company adopted Section 3064 – Goodwill and Intangible Assets, which replaced CICA Handbook sections 3062 and 3450, EIC 27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards ("IFRS"). The objectives of CICA 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intend to reduce the

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differences with IFRS in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets.

The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations for the year ending March 31, 2010.

Future Accounting Changes

IFRS

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including Newstrike, effective for fiscal years beginning on or after January 1, 2011. Early adoption of IFRS is permitted upon receipt of approval from the CSA.

The CSA has approved the Company's application for early adoption of IFRS starting with the financial year beginning on April 1, 2010.

Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended June 30, 2010. Newstrike's 2010 interim and annual financial statements will include comparative 2009 financial statements, adjusted to comply with IFRS.

IFRS Transition Plan

Newstrike has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Company's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Complete.
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> .	Complete.
Final determination of accounting policies and the quantitative impact of adopting IFRS on key line items in the Company's financial statements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements.
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, to be completed in conjunction with the Q1 2011 IFRS financial statements.

Newstrike has engaged its auditors to review its determination of accounting policies under IFRS, the quantitative impact of adopting IFRS on its financial statements and its first interim IFRS financial statements (Q1 2011).

Impact of Adopting IFRS on the Company's Business

During its analysis of requirements for conversion to IFRS, Newstrike identified some changes that need

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to be made to its accounting systems and business processes. The Company believes that these changes are minimal and that its systems and processes can accommodate them.

Newstrike has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

Newstrike staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies. Employees of the Company who will be affected by a change to business processes as a result of the conversion to IFRS have also been appropriately trained.

The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and are aware of the key aspects of IFRS affecting Newstrike.

First-time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

Newstrike has identified the following optional exemptions that it is planning to apply in its preparation of an opening IFRS statement of financial position as at April 1, 2009, the Company's "transition date":

- To apply IFRS 2 *Share-based Payments* only to equity instruments that were issued after November 7, 2002, and had not vested by the transition date.
- To apply IFRS 3 *Business Combinations* prospectively from the transition date, therefore not restating business combinations that took place prior to the transition date.
- To apply the transition provisions of IFRIC 4 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the transition date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 *Borrowing Costs* prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ended June 30, 2010, the Company may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the transition date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to Newstrike's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. However, based on its evaluation to date, the Company does not expect any changes to its accounting policies that would result in significant changes to line items within its financial statements.

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The following provides a summary of Newstrike's evaluation of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas that the Company has identified as having the most potential for a change in its significant accounting policies.

The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time, however, the Company is not aware of any significant expected changes that would affect the summary provided below.

1) Mineral Resource Properties

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties. The Company expects to establish an accounting policy to expense, as incurred, all costs relating to exploration and evaluation until such time as it has been determined that a property has economically recoverable reserves.

The application of this policy on the adoption of IFRS will have a significant impact on the Company's financial statements. On adoption of IFRS, the carrying value of the mineral resource properties will be reduced to zero (as at the transition date), with a corresponding adjustment to accumulated deficit. All subsequent exploration and evaluation costs will be expensed as incurred until such time as it has been determined that a property has economically recoverable reserves.

2) Impairment of (Non-financial) Assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, the Company does not expect that this change will have an immediate impact on the carrying value of its assets. The Company will perform impairment assessments in accordance with IFRS at the transition date.

3) Share-based Payments

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Company does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

4) Asset Retirement Obligations (Decommissioning Liabilities)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A

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constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences. However, the Company does not expect this change will have an immediate impact on the carrying value of its assets.

5) Investment in Joint Ventures

Under IFRS, the guidance for accounting for joint ventures is dependent on the nature of the arrangement, defined as jointly controlled operations, jointly controlled assets or jointly controlled entities. Canadian GAAP requires that all joint ventures be accounted for using proportionate consolidation. Based on its preliminary analysis, the Company has determined that its joint venture agreement on the Commodore Gold property will be defined as jointly controlled assets under IFRS, and accordingly will recognize its share of the jointly controlled assets, classified according to the nature of the assets, and its share of any liabilities incurred jointly with the other venturers.

The Company expects that the application of this accounting treatment will result in the same recognition and measurement in its financial statements as the current use of proportionate consolidation under Canadian GAAP.

6) Income Taxes

IFRS contains some different guidance related to recognition and measurement of future (deferred) income taxes. One of those differences relates to accounting for flow-through common shares, for which IFRS does not include the same level of specific guidance provided under current Canadian GAAP.

The Company has not completed its detailed evaluation of the differences between IFRS and current Canadian GAAP related to accounting for income taxes. These differences could require changes to accounting policies that may impact the Company's financial statements and require adjustments to future (deferred) income taxes and shareholders' equity.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected in Newstrike's first financial statements prepared in accordance with IFRS, which will be the interim financial statements for the three months ending June 30, 2010, and which will include notes disclosing transitional information and disclosure of new significant accounting policies under IFRS. The interim financial statements for the three months ending June 30, 2010, will also include 2009 financial statements for the comparative period, adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position (as at April 1, 2009).

Financial Instruments

Property risk

The Company's significant mineral property is the Commodore Gold property (the "project"). Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the project. If no additional mineral properties are acquired by the Company, any adverse

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development affecting the project could have a material adverse effect on the Company's financial condition and results of operations.

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and term deposits. Cash and term deposits are held by a Canadian chartered bank, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2010, the Company had a cash and term deposits balance of \$1,670,346 (March 31, 2009 - \$1,312,501) to settle current liabilities of \$156,392 (March 31, 2009 - \$35,097). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is also committed to spending \$801,000 in Canadian exploration expenditures by December 31, 2010. If the Company does not spend these funds in compliance with the government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfill its flow-through commitment.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and non-interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is

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defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. A decline in the market price of precious and base metals and other minerals may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value.

As of March 31, 2010, the Company was not a producer of precious minerals, base metals and other minerals. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

(i) Term deposits are subject to floating interest rates. As at March 31, 2010, if interest rates had decreased/increased by one percentage point with all other variables held constant, the net loss for the year ended March 31, 2010, would have been approximately \$2,500 higher/lower, as a result of lower/higher interest income from term deposits. Similarly, as at March 31, 2010, reported shareholders' equity would have been approximately \$2,500 lower/higher as a result of lower/higher interest income from term deposits due to a one percentage point decrease/increase in interest rates.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders. Management adjusts the capital structure as necessary 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 team to sustain the future development of the business.

Newstrike considers its capital to be equity, which comprises common shares, warrants, contributed surplus, accumulated deficit and accumulated other comprehensive income, which at March 31, 2010, totaled \$2,971,261 (March 31, 2009 - \$1,878,064).

The mineral resource properties in which the Company currently has an interest are in the exploration stage. 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 spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties

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and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so.

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 March 31, 2010. The Company is not subject to externally imposed capital requirements.

Outlook

The Company will continue to explore its active projects, with future programs dependent on results from current programs. The Company's outlook is good thanks to its working capital and its current property endeavours.

Share Capital

At the date of this MD&A, the Company had 18,489,966 issued and outstanding common shares.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
100,000	May 29, 2012	\$0.69
825,000	September 4, 2012	\$0.90
880,000	November 27, 2014	\$0.55
1,805,000		

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
1,666,666	October 19, 2011	\$0.75
1,666,666		

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited 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 is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure

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controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Allocation of Expenditures by Project

Commodore Gold Property	As at March 31, 2010	As at March 31, 2009
Beginning balance	\$553,655	\$nil
Acquisition costs	398,166	190,000
Expenditures		
Geology	63,820	119,561
Line cutting	94,388	2,100
Drilling	180,895	62,735
Equipment rental	nil	6,186
Environmental assessment	nil	27,260
Miscellaneous	30,558	28,948
Surveys and mapping	38,305	32,242
Travel and accommodation	1,374	10,389
Exploration costs	nil	21,339
Assays and sample preparation	33,727	68,895
Recovery of costs	nil	(16,000)
Management fee	16,183	nil

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Total cost incurred	857,416	553,655
Ending balance	\$1,411,071	\$553,655

	As at March 31, 2010	As at March 31, 2009
Misema property		
Beginning balance	\$nil	\$nil
Acquisition costs	10,000	nil
Geology	4,500	nil
Miscellaneous	565	nil
Total cost incurred	15,065	nil
Write-off of mineral property	nil	nil
Ending balance	\$15,065	\$nil

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements

The Company is reliant upon additional equity financing in order to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility

The price of various commodities that the Company is exploring for can fluctuate drastically, and is beyond the Company's control. The Company is specifically concerned with the prices of precious and base metals and other minerals. While the Company would benefit from an increase in the value of precious and base metals and other minerals, a decrease in the value of precious and base metals and other minerals could also adversely affect it.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licences, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto

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will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present the Company is only active in Canada.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers

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and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.