

NEWSTRIKE RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2011

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, 2011. This MD&A has been prepared in compliance 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, 2011, as well as the audited annual financial statements for the year ended March 31, 2010, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended March 31, 2011 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at July 20, 2011, unless otherwise indicated.

As of April 1, 2009, Newstrike adopted International Financial Reporting Standards ("IFRS"). The audited financial statements for the year ended March 31, 2011, have been prepared using accounting policies consistent with IFRS. Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its effect on the Company's financial presentation.

The comparative financial information of 2010 in this MDA has been restated to conform to IFRS, unless otherwise stated.

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's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) 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, 2012; 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 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 exploration company primarily focused on precious and base metals and other mineral exploration in Canada and the United States. The Company is concentrating on properties that are prospective for gold. The Company's strategy is to carry out exploration on its most advanced properties with the purpose of potentially defining economic deposits.

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

Highlights for the Year

- During the year ended March 31, 2011, exploration activities continued on the Morris, Kirkland and Commodore Gold properties. In addition, Newstrike is participating in an oil and gas exploration project near the town of Camrose, Alberta (Newstrike has a 20% working interest).

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- Newstrike signed a binding letter of intent dated October 13, 2010, with Mr. Gerhard Meyer pursuant to which the parties have set out the proposed terms governing the grant to Newstrike of an option to earn a 100% interest in the property known as the Horseshoe Lake property located in Mitchell and Bowerman Townships, Ontario (see "Mineral Exploration Properties", below).
- In addition, Newstrike personnel evaluated a number of new business opportunities, including both exploration and development properties with potential for hosting commercial deposits containing gold. The search for additional projects continues.
- On June 1, 2011, Newstrike closed a private placement pursuant to which Newstrike has issued 1 million "flow-through units" at a price of \$0.25 per unit for gross proceeds of \$250,000 by way of non-brokered private placement (the "Offering"). Each flow-through unit consists of one "flow-through" common share of Newstrike and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") issued on a non-flow-through basis. Each Warrant shall entitle the holder to purchase an additional common share of Newstrike at an exercise price of \$0.35 for one year from the closing of the Offering subject to early exercise. If Newstrike's common shares trade at or above \$0.45 per share for 21 consecutive trading days, Newstrike may then accelerate the expiration of the Warrants upon not less than 30 days written notice.

The proceeds from the private placement are intended to be used for drilling on Newstrike's properties in Ontario. All common shares and Warrants issued pursuant to the Offering are subject to a four-month hold period ending on October 2, 2011.

- Newstrike has forwarded \$75,613 dollars to the account of Innovative Exploration Ventures for the Sweetheart Project. These monies are to be used to conduct studies to locate areas of geological and mineral interest in the Rattlesnake Hills area of Wyoming, and to acquire mining rights, so that in the future the parties might enter into an agreement. At this time there is no contractual obligation to either group.
- At March 31, 2011, the Company had assets of \$569,383 (March 31, 2010 - \$1,701,517; and April 1, 2009 - \$1,359,506) and a net equity position of \$532,253 (March 31, 2010 - \$1,545,125; and April 1, 2009 - \$1,324,409). The Company had \$37,130 (March 31, 2010 - \$156,392; and April 1, 2009 - \$35,097) of liabilities and no debt. For the year ended March 31, 2011, exploration and evaluation expenditures decreased marginally by \$52,085 as work continued on the Company's projects (see "Mineral Exploration Properties", below).
- At March 31, 2011, the Company had working capital of \$532,253 (March 31, 2010 - \$1,545,125; and April 1, 2009 - \$1,324,409). The Company had cash, restricted cash and guaranteed investment certificates of \$542,659 at March 31, 2011 (March 31, 2010 - \$1,685,346; and April 1, 2009 - \$1,327,501). The decline in cash, restricted cash and guaranteed investment certificates was largely due to ongoing exploration activities, as discussed above, and operating costs.
- Pursuant to the terms of the flow-through share agreements from the October 19, 2009, non-brokered private placement of \$1,000,000, the Company has completed its flow-through contractual obligations with subscribers. At December 31, 2010, the Company had spent all its committed qualifying expenditures arising from its flow-through offering from October 19, 2009.

Trends

The Company is a mineral exploration company, focused on the acquisition, exploration and development of properties for the mining of precious and base metals, specifically gold. The Company has operations in Ontario, Canada and the United States. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral resources and mineral 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 its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the price of gold and oil and gas and the availability of equity financing for the purposes of exploration and development. The future performance of the Company is largely tied to the development of its property interests and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Unprecedented uncertainty in the credit markets has also led to increased difficulties in borrowing and raising funds. Companies worldwide have been affected particularly negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of copper, silver, gold and other minerals exploration and development, particularly without excessively diluting the interests of existing shareholders. These trends may limit the ability of the Company to develop and/or further explore its current mineral exploration properties and any other property interests that may be acquired in the future.

Selected Annual Financial Information

For years ending after March 31, 2009, the results have been restated to reflect accounting policies consistent with IFRS. Results for years ended before April 1, 2009, have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

	Year ended March 31, 2011 ("IFRS")	Year ended March 31, 2010 ("IFRS")	Year ended March 31, 2009 ("Canadian GAAP")
Net loss	\$ (1,012,872)	\$ (1,367,720)	\$ (1,419,059)
Net loss per share (basic and diluted)	\$ (0.06)	\$ (0.08)	\$ (0.09)
	As at March 31, 2011 ("IFRS")	As at March 31, 2010 ("IFRS")	As at March 31, 2009 ("Canadian GAAP")
Total assets	\$569,383	\$1,701,517	\$1,913,161

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- The net loss for the year ended March 31, 2011, consisted primarily of (i) exploration expenditures of \$820,396; and (ii) general and administrative costs of \$195,399. General and administrative costs consist of:

Description	Year ended March 31, 2011 \$
Salaries and benefits	3,800
Administrative and general	46,423
Professional fees	39,463
Reporting issuer costs	44,067
Shareholder information	12,283
Consulting	27,500
Flow-through interest	21,863
Total	195,399

- The net loss for the year ended March 31, 2010, consisted primarily of (i) exploration expenditures of \$872,481; and (ii) general and administrative costs of \$555,467. General and administrative costs consist of:

Description	Year ended March 31, 2010 \$
Salaries and benefits	352,120
Administrative and general	57,987
Professional fees	38,520
Reporting issuer costs	46,269
Shareholder information	21,316
Consulting	35,000
Flow-through interest	4,255
Total	555,467

- 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. 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

The Company's exploration activities are at an early stage, and it has not yet been determined whether its properties contain any economic mineral resources. There are no known deposits of minerals on any of the Company's exploration properties and any activities of the Company thereon will constitute exploratory searches for minerals. See "Risks and Uncertainties" below.

Horseshoe Lake Property

Newstrike is party to a binding letter of intent dated October 13, 2010, with Mr. Gerhard Meyer pursuant to which the parties have set out the proposed terms governing the grant to Newstrike of an option to earn a 100% interest in the property known as the Horseshoe Lake property located in Mitchell and Bowerman Townships, Ontario. The property is composed of two claim groups. Twenty-seven (27) mining claims/units and four (4) mining claims (8 units). Pursuant to the letter of intent, Newstrike would earn its 100% interest by making aggregate cash payments of \$200,000 and incurring exploration expenditures on the property in the aggregate amount of \$500,000, each over a three-year period, together with a further \$250,000 payment to be made with three months of a positive feasibility study. Newstrike's interest in the property would be subject to either (i) a 1.5% gross overriding royalty on metal sales from the property, and a 0.75% gross overriding royalty on metal sales from any properties acquired subsequently within a specified area of interest; or (ii) a 2.5% net smelter return royalty on the property, and a 1.0% net smelter return royalty on any properties acquired subsequently within a specified area of interest, each subject to certain redemption options available to Newstrike.

The Horseshoe Lake property is located between the South Bay Mine (past producer), 9.5 km to the NNE and the recently discovered Arrow Lake deposit, 5.0 km to the SW. The South Bay Mine produced 1.6 million tons of ore grading 14.7% Zn, 2.3% Cu and 120 g/t Ag. The Arrow Lake deposit contains an estimated NI 43-101 indicated resource of 2,030,000 tonnes grading 5.92% Zn, 0.75% Cu, 21.1 g/t Ag% 0.58 g/t Au.

Newstrike completed an airborne VTEM geophysical survey on the property. The total area coverage was 11km² with total survey line coverage of 254.4 line kilometers. The principal sensors included a Time Domain EM system and a magnetometer.

Based on the geophysical results, a number of interesting EM anomalies that were identified across the property. The magnetic results also contain worthwhile information in support of exploration targets of interest. A diamond drilling program of three holes to test targets will be carried out. As of March 31, 2011, the Company had spent \$87,255 on the property.

Oil and gas prospect

On October 1, 2010, Newstrike announced that it is participating with a group of private oil companies in the drilling of an oil and gas exploration project (the "Joarcam Project") near the town of Camrose,

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Alberta. Newstrike has a 20% interest, which involves approximately 2,500 acres of Crown and freehold mineral leases.

There are two main oil target zones in the Joarcam prospect; the Devonian Wabamun and the Devonian Beaverhill Lake formation. Several shallower zones produce gas in the region and are a secondary target in the test well.

The Joarcam prospect is centred on a structural fracture underlying section 11 and 14-48-21 S4 on the southwestern side of the Joarcam Viking Oil Pool. The structure is defined by both drilling in the area as well as 17 miles (27 km) of modern seismic data.

The Company is waiting for results from the oil and gas exploration test well. As of March 31, 2011, the Company had spent \$139,597 on the prospect.

Commodore Gold Property

In January 2009 Queenston Mining Inc. ("Queenston") and Newstrike Resources Ltd. ("Newstrike") formed a 50%-50% joint venture ("JV") to purchase and explore 36 mining 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 July, the joint venture purchased an additional four adjoining claims from a third party. Newstrike contributed their nine claims Morris-Kirkland property and Queenston added eleven boundary claims. The combined Commodore property now contains 57 mining claims (932 ha) comprising 25 patented and 32 unpatented claims. As an additional consideration for the contribution made to the JV by Queenston, Newstrike issued 600,000 common shares to Queenston.

Queenston and Newstrike hold mining and surface rights to 18 patented mining claims. The patented mining claims are in good standing in perpetuity and there are sufficient banked assessment credits available for periodic extensions to keep the unpatented claims in good standing.

The Commodore property is located approximately 500 km north of Toronto, 200 km north-northeast of Sudbury and 120 km southeast of Timmins. The property is centred approximately on the common Lebel-Gauthier township boundary, 12 km east of Kirkland Lake. Highway 66 passes through the middle of the western half of the property and Highway 672 (Esler Lake road) crosses the eastern half of the property.

The 2009 and 2010 diamond drill program was not successful in locating significant extensions to the Commodore gold deposit and other associated auriferous zones above it. Only DDH COM09_09 intersected a gold mineralized zone at the base of trachyte, which may suggest a downward extension to the Commodore deposit.

At the Egg zone, an apparent continuous gold mineralized zone with limited lateral extent near the base of trachytic rocks, was traced to a vertical depth of 280 m. An undercut to the lowest intersection terminated the continuity of the zone on the section.

The Morris-Kirkland gold mine historically produced 16,699 ounces of gold and 29,300 ounces of silver from 127,253 tons of ore over a vertical distance of 500 m from surface. Gold mineralization occurs in trachyte over a limited distance from a sediment contact in a cross-cutting structure. Furthermore, the ore grade extracted was found to decrease with depth. This could be a feature associated with the distribution of the ore shoots and higher grade shoots could very well occur below the historical workings. Mineralization although not shown to be continuous at current exploration levels may continue at depth.

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Newstrike's share of exploration cost for the year ended March 31, 2011 amounted to \$461,113 (year ended March 31, 2010 - \$857,416) (cumulative expenditures on the project amounted to \$1,872,183). The Company has decided to suspend further exploration work on the "Queenston – Newstrike" joint venture properties at this time.

The Swansea Property

On October 25, 2010, Odyssey Resources Limited ("Odyssey") announced that it had entered into an option agreement dated October 22, 2010 ("the Option") with Bear Lake Gold Ltd. ("Bear Lake") and Newstrike to acquire from Newstrike and Bear Lake a 25% interest in an early stage gold project known as the Swansea property located in McVittie Township in Northeastern Ontario (the "Swansea property") by spending \$1.1 million on the Swansea project. Newstrike owns a 25% interest in the property but subject to the terms and conditions of the Option, its interest can be reduced to 18.75%. However, due to disappointing results, Odyssey determined that it was not appropriate to pursue the program and in March 2011, Odyssey advised Newstrike of its decision not to exercise the option to acquire the 25% interest in Swansea.

Carmelo Marrelli, a director of Odyssey, is also the Chief Financial Officer of Newstrike.

The Misema Property

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"). On July 8, 2010, the Company received its assay results from the Misema project. The results were disappointing and as a result, Newstrike has decided to discontinue its earn-in on the project.

During the year ended March 31, 2011, the Company's share of exploration expenditures on the Misema property was \$55,945 (year ended March 31, 2010 - \$15,065). Total cumulative exploration activities incurred on the Misema property to March 31, 2011, amounted to \$71,010.

Overall Objective

The Company's overall objective is to discover an economically viable mineral deposit on a property in which it has an interest. The Joarcam oil and gas prospect and the Horseshoe Lake property, being the Company's only material resource assets at July 20, 2011, will remain the focus of exploration efforts over the short to medium term. Work on the "Queenston – Newstrike" joint venture properties at this time have been suspended.

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 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.

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.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, reserves and deficit, which at March 31, 2011, totaled \$532,253 (March 31, 2010 - \$1,545,125).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company.

The Company is not subject to any capital requirements imposed by a lending institution.

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) (\$)	Basic and diluted income (loss) per share (\$)
2011-March 31	-	(138,493) ⁽¹⁾	(0.02)
2010-December 31	-	(414,562) ⁽²⁾	(0.02)
2010-September 30	-	(191,978) ⁽³⁾	(0.01)
2010-June 30	-	(267,839) ⁽⁴⁾	(0.01)
2010-March 31	-	(205,590) ⁽⁵⁾	(0.01)
2009-December 31	-	(551,625) ⁽⁶⁾	(0.03)
2009-September 30	-	(485,538) ⁽⁷⁾	(0.03)
2009-June 30	-	(124,967) ⁽⁸⁾	(0.01)

Notes:

- (1) Net loss of \$138,493 principally relates to exploration expenditures of \$79,853, reporting issuer costs of \$33,033 and administrative of \$24,817. All other expenses related to general working capital purposes.
- (2) Net loss of \$414,562 principally relates to exploration expenditures of \$368,378, consulting fees of \$13,000 and professional fees of \$20,757. All other expenses related to general working capital purposes.
- (3) Net loss of \$191,978 principally relates to exploration expenditures of \$149,634, consulting fees of \$3,500 and professional fees of \$21,202. All other expenses related to general working capital purposes.
- (4) Net loss of \$267,839 principally relates to exploration expenditures of \$222,531, consulting fees of \$15,500 and professional fees of \$10,980. All other expenses related to general working capital purposes.
- (5) Net loss of \$205,590 principally relates to exploration expenditures of \$141,406, consulting fees of \$21,500 and professional fees of \$27,025. All other expenses related to general working capital purposes.
- (6) Net loss of \$551,625 principally relates to exploration expenditures of \$222,795, consulting fees of \$4,500, salaries and benefits of \$347,720 and professional fees of \$19,303. All other expenses related to general working capital purposes.
- (7) Net loss of \$485,538 principally relates to exploration expenditures of \$427,764, consulting fees of \$14,500 and professional fees of \$20,477. All other expenses related to general working capital purposes.
- (8) Net loss of \$124,967 principally relates to exploration expenditures of \$80,516, consulting fees of \$13,500 and a net charge to interest income (expense) of \$6,695 as a result of an interest over-accrual at March 31, 2009. All other expenses related to general working capital purposes.

Results of Operations

Year ended March 31, 2011, compared with year ended March 31, 2010

Newstrike's net loss totaled \$1,012,872 for the year ended March 31, 2011, with basic and diluted loss per share of \$0.06. This compares with a net loss of \$1,367,720 with basic and diluted loss per share of

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\$0.08 for the year ended March 31, 2010. The decrease of \$354,848 in net loss was principally because:

- Salaries and benefits decreased by \$348,320 for the year ended March 31, 2011, compared to the same period ended March 31, 2010. The change was mainly attributable to share-based payments of \$346,720 arising from the grant of 880,000 stock options to purchase common shares of the Company to directors, officers and consultants in November 2009. The stock options granted vested immediately. No such expense occurred in the current period. In addition, for the year ended March 31, 2011, directors' fees of \$3,800 were paid (comparative period in fiscal 2010 - \$5,400). Directors' 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);
- For the year ended March 31, 2011, exploration and evaluation expenditures decreased marginally by \$52,085 as work continued on the Company's projects (see "Mineral Exploration Properties", above);
- Professional fees increased by \$943 for the year ended March 31, 2011, compared to the same period a year earlier. The increase can be attributed to outside accounting specialists assisting the Company to convert to IFRS;
- For the year ended March 31, 2011, \$25,500 was paid to Donald T. Rankin, a director of the Company and \$2,000 to John A. Pollock, Chief Executive Officer ("CEO"). For the comparative period in fiscal 2010, Donald T. Rankin was paid \$34,000 and John A. Pollock was paid \$1,000. (See "Related Party Transactions" for further information);
- Administrative and general expenses decreased by \$11,564. Administrative and general expenses totaled \$46,423 for the year ended March 31, 2011 (comparative period in fiscal 2010 - \$57,987) 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 during the year ended March 31, 2011, compared to the same period a year earlier;
- The Company expensed \$21,863 in Part XII.6 tax to the Government of Canada for instituting the look-back rule in December 2009 on renounced flow-through expenditures, compared to \$4,255 for the comparative period. The Company has complied with its flow-through obligations to the Canada Revenue Agency, Canada's taxation authority, as of December 31, 2010;
- All other expenses related to general working capital purposes.

Three months ended March 31, 2011, compared with three months ended March 31, 2010

Newstrike's net loss totaled \$138,493 for the three months ended March 31, 2011, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$205,590 with basic and diluted loss per share of \$0.01 for the three months ended March 31, 2010. The decrease of \$67,097 in net loss was principally because:

- For the year ended March 31, 2011, exploration and evaluation expenditures decreased marginally by \$61,553 as work continued on the Company's projects (see "Mineral Exploration Properties", above);

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- Professional fees decreased by \$3,011 for the three months ended March 31, 2011, compared to same period of fiscal 2010. The decrease is attributable to lower flow-through administration costs in the fourth quarter of fiscal 2011 compared to the same period in fiscal 2010;
- For the three months ended March 31, 2011, \$9,000 was paid to Donald T. Rankin, a director, For the comparative period in fiscal 2010, \$16,000 was paid to Donald T. Rankin. (See "Related Party Transactions" for further information);
- Administrative and general expenses decreased by \$1,727. Administrative and general expenses totaled \$24,817 for the three months ended March 31, 2011, (comparative period in fiscal 2010 - \$26,544) 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 during the three months ended March 31, 2011, compared to the same period in fiscal 2010;
- All other expenses related to general working capital purposes.

Liquidity and Capital Resources

The activities of Newstrike, principally the exploration and acquisition of properties for gold, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. During the year ended March 31, 2011, Newstrike did not have any equity transactions. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See the "Risks and Uncertainties" section below.

Pursuant to the terms of the flow-through share agreements from the October 19, 2009, non-brokered private placement of \$1,000,000, the Company has completed its flow-through contractual obligations with subscribers. At December 31, 2010, the Company had spent all its committed qualifying expenditures arising from its flow-through offering.

On June 1, 2011, Newstrike closed an Offering pursuant to which Newstrike has issued 1 million "flow-through units" at a price of \$0.25 per unit for gross proceeds of \$250,000. The Company has until December 31, 2012 to spend these funds pursuant to rules governed by the Canada Revenue Agency. The Company relies on external financings to generate capital. As a result, the Company continues to incur net losses. As of March 31, 2011, 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 share price of Newstrike recovers. See "Trends" above.

Accounts payable and accrued liabilities decreased to \$37,130 at March 31, 2011, compared to \$156,392 at March 31, 2010, primarily due to greater exploration related amounts on the Commodore Gold Property due at March 31, 2010. The Company's cash and cash equivalents at March 31, 2011, were sufficient to pay these liabilities.

Cash used in operating activities was \$1,145,610 for the year ended March 31, 2011. Operating activities were affected by the net change in non-cash working capital balances of \$129,815 because of an increase in accounts receivable and other assets and a decrease in accounts payable and accrued liabilities over the prior year.

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Cash provided by investing activities was \$604,173 for the year ended March 31, 2011, which relates to the redemption of guaranteed investment certificates of \$1,001,250. The purchase of a guaranteed investment certificate in the amount of \$400,000 and interest income of \$2,923 offset this.

The Company has no operating revenues and therefore must utilize its current cash reserves, income from guaranteed investment certificates, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet working capital requirements, its ongoing exploration programs and operating activities. The Company anticipates going to the market to raise capital when the opportunity arises. See "Risks and Uncertainties" of this MD&A.

To the date of this MD&A, the cash resources of the Company are held in cash and guaranteed investment certificates 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, accounts receivable consists 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 anticipates spending its flow-through commitment of \$250,000 that it raised from its Offering on June 1, 2011 on the select projects. The Company anticipates spending its flow-through commitment on the Horseshoe Lake property.

Regardless of whether or not the Company discovers a viable mineral deposit, its working capital of \$532,253 at March 31, 2011, is anticipated to be adequate for it to continue its operations at the current level for the twelve-month period ending March 31, 2012. However, to meet long-term business plans, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to complete exploration and development of properties is dependent upon successfully raising additional capital.

Related Party Transactions

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

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Newstrike entered into the following transactions with related parties:

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Names	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
Marrelli CFO Outsource Syndicate Inc. ⁽¹⁾	18,000	18,000
Marrelli Support Services Inc. ("MSSI") ⁽²⁾⁽³⁾	20,036	37,490
DSA Corporate Services Inc. ⁽⁴⁾	9,010	39,255
John A. Pollock ⁽⁵⁾	2,000	8,400
Donald T. Rankin ⁽⁶⁾	25,500	35,000
D & R Filing Corp. ⁽⁴⁾	4,535	1,670
Total	79,081	139,815

⁽¹⁾ The Chief Financial Officer ("CFO") of Newstrike, Carmelo Marrelli, is the president of Marrelli CFO Outsource Syndicate Inc. Fees related to the CFO function performed.

⁽²⁾ The CFO of Newstrike is the president of MSSI. Fees related to accounting services provided by MSSI.

⁽³⁾ As at March 31, 2011, MSSI was owed \$4,069 (March 31, 2010 - \$1,922) and this amount was included in accounts payable and other liabilities.

⁽⁴⁾ The CFO of Newstrike is an officer of DSA Corporate Services Inc. ("DSA") and D & R Filing Corp. ("D & R Filing"). Fees related to corporate secretarial services provided by DSA and filing services provided by D & R Filing. As at March 31, 2011, DSA was owed \$859 (March 31, 2010 - \$832) and D & R Filing was owed \$nil (March 31, 2011 - \$158) and these amounts were included in accounts payable and other liabilities.

⁽⁵⁾ For services as consultant to the Company. Fees related to geological consulting services. John A. Pollock is the Chief Executive Officer of the Company.

⁽⁶⁾ For services as consultant to the Company. Fees related to administrative services. Donald T. Rankin is a director of the Company.

- Remuneration of directors and key management of the Company was as follows:

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(a) Cash payments

Director names	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
Barrie Hancock	600	1,000
Donald T. Rankin	800	1,000
Ewan Downie	200	200
John A. Pollock	600	1,000
Murray W. Cooper	800	1,000
Tom Flynn	800	1,200
Total	3,800	5,400

(b) Share-based payments

Director or officer names	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
Barrie Hancock, Director	nil	15,760
Donald T. Rankin, Director	nil	39,400
Ewan Downie, Director	nil	15,760
John A. Pollock, CEO and Director	nil	157,600
Murray W. Cooper, Director	nil	19,700
Tom Flynn, Director	nil	19,700
Carmelo Marrelli, CFO	nil	19,700
Total	nil	287,620

Salaries and benefits include director fees. The Board of Directors does not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

Critical Accounting Estimates

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of accounts receivable that are included in the statements of financial position;
- the recoverability of exploration and evaluation expenditures incurred on Newstrike's property interests. The Company expenses the exploration and evaluation expenditures in the statements of comprehensive loss;
- the inputs used in accounting for share based payment transactions in profit or loss; and
- Management assumption of no material restoration, rehabilitation and environmental, based on the facts and circumstances that existed during the period.

Change in Accounting Policies

Impact of Adopting IFRS on the Company's Accounting Policies

In December, 2009, the Ontario Securities Commission granted the Company exemptive relief to adopt IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") with the adoption date of April 1, 2010, and a transition date of April 1, 2009. Effective for the year ended March 31, 2011, the Company began preparing its financial statements in accordance with IFRS. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note 21, "Conversion to IFRS" of the audited financial statements. This note also includes reconciliations of equity and comprehensive loss for comparative periods reported under Canadian GAAP with amounts reported for those periods under IFRS. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(a) 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

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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 have been changed to reflect these differences. There was no impact on the financial statements.

(b) Decommissioning Liabilities (Asset Retirement Obligations)

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 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 have been changed to reflect these differences. There is no impact on the financial statements.

(c) Exploration and evaluation

On transition to IFRS, the Company elected to expense exploration and evaluation expenditures as incurred. Previously, the Company's Canadian GAAP policy was to capitalize exploration and evaluation expenditures as incurred.

The Company has chosen to expense its exploration and evaluation expenditures as incurred instead of capitalizing these costs to the statement of financial position. The Company has chosen this policy because management has not yet determined that there is a future benefit for its exploration properties at this point in time.

(d) Flow-through shares

On transition to IFRS, the Company elected to follow US GAAP whereby flow-through proceeds should be allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A future tax liability is recognized for the premium paid by the investors and is then recognized as a future income tax recovery in the period of renunciation. If flow-through shares are sold at a discount, this policy does not apply and the flow-through shares issued follow applicable IFRS guidance.

Previously, the Company's Canadian GAAP policy was to adopt the recommendations of EIC 146 with respect to the accounting for flow-through shares. This resulted in the Company reducing the net proceeds of the flow-through share issuance by the future tax liability of the Company resulting from the renunciation of the exploration and development expenditures in favour of the flow-through share subscribers. This future income tax liability was calculated net of any benefit resulting from unrecorded income tax loss carry forwards and income tax pools in excess of the accounting value available for deduction.

Impact of Adopting IFRS on the Company's Business

The adoption of IFRS has resulted in some changes to Newstrike's accounting systems and business processes. However, the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Company's 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.

The Board of Directors and Audit Committee have been regularly updated throughout the Company's IFRS transition process, and are aware of the key aspects of IFRS affecting the Company.

Recent Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2010, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded from the list below.

- IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9"), effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2013, and has not yet considered the potential impact of the adoption of IFRS 9.
- IFRS 10 Consolidated Financial Statements ("IFRS 10") establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidated – Special Purpose Entities" and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. Management is currently evaluating the impact of this standard on its financial statements.
- IFRS 11 Joint Arrangements ("IFRS 11") establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes the current IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers" and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. Management is currently evaluating the impact of this standard on its financial statements.
- IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. Management is currently evaluating the impact of this standard on its financial statements.
- IFRS 13 Fair Value Measurements ("IFRS 13") defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRS that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. Management is currently evaluating the impact of this standard on its financial statements.

Financial Instruments

List of Significant Financial instruments

	As at March 31, 2011 \$	As at March 31, 2010 \$
Financial Assets:		
Cash and cash equivalents	127,659	669,096
Guaranteed investment certificates	400,000	1,001,250
Accounts receivable	22,971	12,418
Restricted cash	15,000	15,000
Other Financial Liabilities:		
Accounts payable and accrued liabilities	37,130	156,392

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 currency risk 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 cash equivalents, guaranteed investment certificates, restricted cash and accounts receivable. Cash and cash equivalents, guaranteed investment certificates and restricted cash are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada. Accounts receivable is in good standing as of March 31, 2011. Management believes that the credit risk with respect to financial instruments included in other receivable is minimal.

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(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2011, the Company had cash and guaranteed investment certificates of \$527,659 (March 31, 2010 - \$1,670,346) to settle current liabilities of \$37,130 (March 31, 2010 - \$156,392). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(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 defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. 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.

As of March 31, 2011, the Company was not a precious minerals, base metals and other minerals producer. 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 12-month period:

- (i) Cash and cash equivalents and restricted cash are subject to floating interest rates. Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss and comprehensive loss.
- (ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Outlook

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

Share Capital

At the date of this MD&A, the Company had 19,489,966 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
140,000	June 6, 2016	\$0.35
1,945,000		

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
500,000	June 1, 2012	\$0.35
2,166,666		

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

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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 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 (IFRS).

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 Projects

	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
Commodore Gold Property		
Acquisition costs	nil	398,166
Geological consulting	59,925	63,820
Drilling	284,739	180,895
Travel and accommodation	1,922	1,374
Line cutting	nil	94,388
Assaying	35,623	33,727
Surveys and mapping	19,117	38,305
Management fees	33,710	16,183
Miscellaneous	26,077	30,558
Total cost incurred	461,113	857,416

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	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
New Projects		
Project development	76,486	nil
Total cost incurred	76,486	nil

	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
Misema Property		
Geological consulting	7,800	4,500
Truck rental expenses	1,200	nil
Drilling	44,356	nil
Miscellaneous	2,589	10,565
Total cost incurred	55,945	15,065

	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
Joarcam Project		
Acquisition cost	9,805	nil
Drilling	129,792	nil
Total cost incurred	139,597	nil

	Year ended March 31, 2011 \$	Year ended March 31, 2010 \$
Horseshoe Lake Property		
Acquisition cost	10,000	nil
Surveying and mapping	77,206	Nil
Miscellaneous	49	nil
Total cost incurred	87,255	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 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

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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 and the United States.

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 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.

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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.