



ROSS RIVER MINERALS INC.
MANAGEMENT DISCUSSION AND ANALYSIS – FORM 51-102F1
for the year ended December 31, 2009

1.1 Date of Report

The following Management Discussion and Analysis (“MD&A”) for Ross River Minerals Inc. (“Ross River” or the “Company”) is prepared as of April 30, 2010 and should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2009. Except as noted, all dollar amounts contained in this discussion and analysis and in the financial statements are in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may be deemed “forward-looking statements”. All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.

Management’s Responsibility for Financial Statements

The information provided in this MD&A, including the audited consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

1.2 Nature of Business and Overall Performance

Ross River Minerals Inc. is a junior resource company engaged in the acquisition, exploration and development of gold and copper-gold properties in the Yukon Territory and Mexico. The Company's projects are the 8,600 hectare Tay-LP property located in the Yukon Territory, Canada and the approximately 19,000 hectare El Pulpo property located in Sinaloa State, Mexico. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is a reporting issuer in British Columbia, Alberta and the Yukon Territory and trades on the TSX Venture Exchange under the symbol RRM.

The Company was incorporated on September 12, 1996 as 521844 B.C. Ltd. and subsequently changed its name to Panamex Resources Inc. On May 22, 2002, the Company changed its name to Ross River Minerals Inc. The Company completed a reverse take-over on May 28, 2002 whereby the former shareholders of Ross River Gold Ltd. acquired control of the Company through a share-for-share exchange.

The audited consolidated financial statements include the accounts of Ross River Minerals Inc. and its wholly owned subsidiaries, Ross River Gold Ltd. ("RRG") and Minera Rio Ross, S.A. de C.V. ("MRR")

The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations to continue. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the consolidated financial statements.

Mineral Projects

1. TAY-LP PROPERTY, YUKON TERRITORY, CANADA

The Tay-LP property is located in south central Yukon approximately 50 kilometres south of the village of Ross River and 160 kilometres northeast of Whitehorse. The property covers 8,600 hectares and comprises 413 contiguous mineral claims. RRG is the registered owner of 344 mineral claims (Tay-LP Property) and 69 mineral claims (Ram Property) are registered to Ross River Minerals Inc.

Pursuant to an agreement dated September 14, 1999, as amended, RRG acquired a 100% interest in the Tay-LP property provided it incurs \$1,000,000 in exploration expenditures and makes payments in cash or shares aggregating \$220,000. Full details of the agreement and amendments are outlined in Note 5 of the Audited Consolidated Financial Statements. The Company has fulfilled its obligations under the terms of the option agreement subject to 2.5% a net smelter return ("NSR") and pre-production royalties.

Pursuant to an agreement dated May 31, 2000, as amended, RRG has the option to acquire a 70% interest in the Ram property provided it incurs \$500,000 in exploration expenditures on or before April 1, 2008 and issue 240,000 shares to Almaden Minerals Ltd. By agreement dated December 18, 2007, the option agreement was terminated and the Company acquired a 100% interest in the RAM claims for the issuance of 100,000 common shares with a deemed value of \$9,000. The vendor retains a 2% NSR royalty. Full

details of the agreement and amendments are outlined in Note 5 of the Audited Consolidated Financial Statements.

During the year ended December 31, 2009, the Company optioned its wholly owned Tay-LP property to Canarc Resource Corp. ("Canarc"). Canarc can acquire a 100-per-cent interest in Tay-LP from the Company by paying \$1,000,000 in cash and/or stock and spending \$1,500,000 on exploration over a three-year period. Canarc can initially earn a 51-per-cent interest as a stage I option by paying \$150,000 in cash and spending \$900,000 on exploration over a two-year period. If Canarc proceeds with the stage II option, then the final \$850,000 payment can be made in cash or common shares at Canarc's election. If Canarc does not proceed with the stage II option, then a joint venture will be formed with the Company, where Canarc will own 51%.

(a) **Exploration Program**

Canarc completed its Phase 1, 2,000 metre exploration program of diamond drilling of the Tay LP gold property. Initial targets included a step-out drilling from some of the historical drill intercepts to better define the structural, stratigraphic and intrusive controls on gold mineralization.

(b) **Exploration Results**

Canarc commented "The 2009 drilling program consistently intersected and extended known gold mineralization by 50 to 100 metres along strike and downdip from the three gold zones previously defined within a three-kilometre MaxMin geophysical anomaly that trends parallel to a large intrusion. In general, our drilling hit broader zones of lower-grade gold mineralization compared with the previous drilling. Higher grades appear to be associated with higher-temperature quartz-pyrrhotite gold mineralization.

"These 2009 drill holes are still 1,000 metres east of the intrusive contact and have yet to test the full length of the MaxMin anomaly. Combine these factors with the existence of two other intrusive bodies, and numerous other untouched geophysical and geochemical anomalies, and it is safe to say we have many attractive targets that we are looking forward to testing with the next exploration program." For complete results see Canarc's press release dated November 11, 2009.

(c) **Future Developments**

Future exploration programs will focus on detailed ground exploration work, detailed drilling of the known gold-mineralized zones, as well as reconnaissance drilling of multiple, untested geochemical and geophysical anomalies within prospective targets.

2. EL PULPO PROPERTY, SINALOA STATE, MEXICO

The El Pulpo property is located 125 kilometres north-east of Mazatlan and covers an area of approximately 200 square kilometres (20,421 hectares). Easily accessible by paved road to San Ignacio and then by dirt road to Vado Hondo, which is located in the centre of the concessions.

Pursuant to an agreement dated April 10, 2003 with Almaden Minerals Ltd. ("Almaden") and its wholly owned Mexican subsidiary Minera Gavilan S.A. de C.V. ("Minera Gavilan"), MRR had an option to acquire up to a 60% interest in the Gavilan and Gavilan II concessions provided it incurs not less than US \$3.0 million in exploration expenditures on or before April 30, 2010 and issue 425,000 shares to Almaden. A further 10,000 hectares adjacent and immediately south of the Gavilan and Gavilan II were staked which are also subject to the terms and conditions of the agreement.

On May 17, 2004, 15,000 shares were issued in part payment for the acquisition of the Los Frayles (Title No. 223308) concession. The acquisition was completed with the payment of US \$5,000 on July 14, 2004 with another payment of US \$5,000 paid on August 15, 2005.

On December 22, 2004, the Company entered into an agreement with Almaden and Minera Gavilan to acquire 100% of the right, title and interest in the El Pulpo concessions and the underlying agreements, collectively known as the El Pulpo project. On April 25, 2005, the Company issued Almaden 2,200,000 million shares and the option agreement dated April 10, 2003 with respect to the project terminated. The Company will issue an additional 1,000,000 shares when exploration and development expenditures on the property meet or exceed US \$10,000,000 and an additional 1,000,000 million shares on the delivery of a positive feasibility study recommending production on any part of the property. Almaden will retain a 2% net smelter return (“NSR”) royalty regarding any minerals removed from the Gavilan, Gavilan II and Gavilan 3 concessions, of which half (a 1% NSR royalty) can be purchased by the Company from Almaden for fair market value as determined by an internationally recognised engineering firm acceptable to both parties.

(a) **Exploration Program**

The Company is seeking equity financing and/or joint venture partners for further exploration of the property.

(b) **Exploration Results**

N/A

(c) **Future Developments**

The Company has commenced discussions with strategic partners to assist in the exploration and development of the copper potential (40 square kilometres) on its 200 square kilometre El Pulpo property. The property is host to multiple gold/silver and copper targets. The Company is also seeking new equity financing to advance the project.

1.3 Selected Annual Information

The following is a summary of the Company’s financial results for the three most recently completed fiscal years:

Fiscal Year	2009	2008	2007
Total Revenues	Nil	Nil	Nil
General and Administrative Expenses	281,250	481,545	585,481
Loss and Comprehensive Loss	(365,104)	(543,391)	(639,218)
Loss Per Share	(0.01)	(0.01)	(0.02)
Total Assets	7,256,465	7,189,787	7,082,814
Total Long-term Liabilities	Nil	Nil	Nil
Cash Dividends per share	Nil	Nil	Nil

The Company has recorded losses since inception and expects to record losses until such time as an economic resource is identified, developed and exploited on one or more of the Company’s properties. The Company completed the first tranche of a 10,000,000 unit offering by issuing 5,578,000 units in January 2010 for gross proceeds of \$278,900 for general working capital and expenditures on the Company’s El Pulpo property. Management anticipates operating losses to continue at this level and is

anticipating an operating loss of approximately \$350,000 for fiscal 2010. The Company capitalizes all acquisition and exploration costs until the property is placed into production, sold or abandoned. The decision to abandon a property is largely determined from exploration results and the amount and timing of any write-offs of resource property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance. The Company's net loss will be significantly affected by the write-down or abandonment of any properties during a given period.

1.4 Results of Operations

During the year ended December 31, 2009, the Company reported a loss and comprehensive loss of \$365,104 or \$0.01 per share, as compared to a loss and comprehensive loss of \$543,391 or \$0.01 per share for year ended December 31, 2008. General and administrative expenses decreased from \$481,545 in 2008 to \$281,250 in the current period, a decrease of \$200,295. This decrease was mainly attributable to:

- a. Salaries and consulting fees decreased from \$24,420 for the year ended December 31, 2008 to \$10,623 for the year ended December 31, 2009. This decrease of \$13,797 was due to the termination of the Company's employee and not hiring consultants due to a shortage of working capital.
- b. Shareholder communications and regulatory fees decreased from \$30,404 for the year ended December 31, 2008 to \$21,261 for the year ended December 31, 2009. This decrease of \$9,143 was mainly attributable to reduced filing fees for the private placement that occurred during the prior period and the reduction of investor relation services due to a shortage of working capital.
- c. Stock-based compensation expense decreased from \$44,533 for the year ended December 31, 2008 to \$Nil for the year ended December 31, 2009. This is a non-cash expense and was attributable the number of options granted and vested during the prior period and the assumptions used for the Black-Scholes option pricing model.
- d. A general reduction of activity during the period due to a shortage of available working capital.

Overall, the Company's general and administrative expenses decreased significantly as compared to the prior year as the Company didn't have any new sources of equity financing though it is anticipated these expenses will increase during the fall of 2010 due to the increased exploration activity for the anticipated 2010 exploration program of the El Pulpo project in Mexico which is subject to an equity financing to be completed. There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the financial statements.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q4 Dec. 31, 2009	Q3 Sep. 30, 2009	Q2 Jun 30, 2009	Q1 Mar. 31, 2009	Q4 Dec. 31, 2008	Q3 Sep. 30, 2008	Q2 Jun 30, 2008	Q1 Mar. 31, 2008
Total revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net loss	\$ (129,864)	\$ (66,406)	\$ (85,856)	\$ (82,978)	\$ (207,050)	\$ (96,900)	\$ (126,423)	\$ (113,018)
Basic loss per share (1)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)

(1) Loss per share on a diluted basis is not disclosed as it is anti-dilutive due to losses incurred.

The expenses incurred by the Company are those typical of junior exploration companies that have not established mineral reserves. In some quarters more expenses are incurred than in others as a result of non-recurring activities or events.

1.6 Liquidity

These audited consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

- a) The Company has cash of \$5,294 as at December 31, 2009 compared to \$626 as at December 31, 2008. The Company's has a working capital deficiency of \$1,417,044 as at December 31, 2009 compared to working capital deficiency of \$1,117,314 as at December 31, 2008. During the year ended December 31, 2009, the Company received \$83,900 from investors to be used towards a non-brokered private placement. The private placement will consist of up to 10,000,000 units at a price of \$0.05 per unit for total maximum gross proceeds of \$500,000. Each unit will consist of one common share and one-half non-transferable share purchase warrant. Each full warrant entitles the holder to acquire a common share for a period of two years from closing at a price of \$0.15 per share. The Company will pay a finder's fee on closing of up to 8% on a portion of the gross proceeds, in cash or in units or any combination thereof. Subsequent to December 31, 2009, the Company announced that it had closed the first tranche of the private placement announced in Stockwatch on December 23, 2009. The Company issued 5,578,000 units for gross proceeds of \$278,900. Each unit consists of one share and one share purchase warrant with each share purchase warrant entitling the holder to purchase one common share for a period of six months from closing at 10 cents per share and 15 cents for the next 18 months. The securities have a four-month hold period

until May 29, 2010. The balance of the private placement of \$221,100 is expected to close by May 7, 2010. The proceeds from this private placement will be used for general working capital and expenditures on the Company's El Pulpo property.

- b) On February 9, 2007, the Company entered into an agreement with a director of the Company for a loan in the amount of \$200,000 for a one-year period which was subsequently extended to December 31, 2008 and is convertible into common shares at a price of \$0.12 per share at any time up to maturity at the option of the holder. The loan carries a face rate of interest of 10% compounded monthly but accumulated until fully paid at maturity or at conversion of the loan, whichever comes first. During the year ended December 31, 2009, the Company announced that the terms of the loan had been amended reducing the conversion price to \$0.05 and extending the loan conversion date to December 31, 2010. The Company anticipates it will require additional capital in the future to finance ongoing exploration of its properties and general and administrative expenses, such capital to be derived from the exercise of outstanding stock options and warrants and/or the completion of private placements. The Company may also seek short-term loans from directors of the Company. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms to the Company.

1.7 Capital Resources

Ross River has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. The Company has also received additional funds pursuant to property option receipts. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms to the Company.

The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options and warrants and/or the completion of private placements. The Company may also seek short-term loans from directors of the Company.

1.8 Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

The Company has entered into the following transactions with directors, companies with common directors and a legal firm where a director of the Company is a partner:

	2009	2008
Working capital advances	\$ 386,351	\$ 319,169
Management fees	378,600	221,100
Legal services	132,243	112,377
Shareholder loan	<u>26,000</u>	<u>4,000</u>
	<u>\$ 923,194</u>	<u>\$ 656,646</u>

During the year ended 2009, the Company entered into the following transactions, deferred costs and recoveries with related parties not disclosed in other notes in the financial statements:

- a) Management fees of \$150,000 (2008 - \$150,000) to a company controlled by a director of the Company.
- b) Legal fees of \$18,717 (2008 - \$61,478) to a legal firm where a director of the Company is a partner.
- c) Interest expense of \$76,490 (2008 - \$61,846) to a director of the Company.
- d) Pre-production royalty costs of \$5,000 (2008 - \$5,000) to a director of the Company.
- e) Rent and administrative fees recoveries of \$4,190 (2008 - \$41,608) from a company with common directors, of which \$Nil was received subsequent to year end. Due to the uncertainty of collection of the prior year and current year amounts owing, an allowance has been provided of \$4,190 (2008 - \$23,432).

Advances due to related party in the amount of \$293,330 (2008 - \$261,650) plus accrued interest of \$93,021 (2008 - \$57,519) are unsecured, bear interest at 10% per annum compounded monthly and are payable on demand.

The transactions with related parties were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the parties.

1.10 Fourth Quarter

Fourth quarter results do not differ significantly from other quarters.

1.11 Proposed Transactions

As at December 31, 2009, the Company has received \$222,900 in share subscriptions towards a private placement. The private placement will consist of up to 10,000,000 units at a price of \$0.05 per unit for total maximum gross proceeds of \$500,000. Each unit will consist of one common share and one-half non-transferable share purchase warrant. Each full warrant entitles the holder to acquire a common share for a period of two years from closing at a price of \$0.15 per share. On January 29, 2010, the Company closed the first tranche of the private placement and issued 5,578,000 units for gross proceeds of \$278,900.

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

1.12 Critical Accounting Estimates

The preparation of audited consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

The factors affecting stock-based compensation include estimates of when the stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors including the market value of the Company's shares and the financial objectives of the optionees.

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development of the properties, and future profitable production from the disposition of the metals produced from the properties.

1.13 Adoption of New Accounting Policies

The Company adopted the following new accounting policies during the year:

i Goodwill and intangible assets

The Company has adopted the Canadian Institute of Chartered Accountants Handbook standard 3064 ("Section 3064") *Goodwill and Intangible Assets* for its fiscal year beginning January 1, 2009. This section replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in *Section 3062*. The adoption of this section has had no significant impact on the Company's consolidated financial statements.

ii Credit risk and the fair value of financial assets and financial liabilities

On January 20, 2009, the Emerging Issues Committee ("EIC") of the Canadian Accounting Standards Board ("AcSB") issued EIC Abstract 173, *Credit Risk and Fair Value of Financial Assets and Financial Liabilities* ("EIC 173"), which establishes that an entity's own credit risk and the credit risk of the counterparty, should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC 173 should be applied retrospectively without restatement of prior years to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this section has had no significant impact on the Company's financial statements.

iii Mining exploration costs

In March 2009, the Company adopted CICA issued EIC Abstract 174 – *Mining Exploration Costs* which amends EIC-126 – *Accounting by Mining Enterprises for Exploration Costs*, to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs are required. The adoption of this section has had no significant impact on the Company's financial statements.

iv Financial instruments

In June 2009, the AcSB issued an amendment to CICA Handbook Section 3862, “Financial Instruments – Disclosures”, to provide improvements to fair value and liquidity risk disclosures. The amendment applies to the Company’s fiscal year ending December 31, 2009. The standard requires the Company to categorize its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement. Level one includes unadjusted quoted prices in active markets for identical assets and liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

The following accounting policies will be implemented in future periods:

v International Financial Reporting Standards (“IFRS”)

In addition to the above new accounting pronouncements the Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (“IFRS”) over a five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

The Company has begun to evaluate the impact of IFRS on its financial accounting and reporting systems. The Company has appointed internal staff to lead the IFRS conversion process and prepare a diagnostic analysis that identifies the differences between our current accounting policies and IFRS.

The Company will begin to design and build an IFRS framework, which includes decisions on available accounting policy choices, formulate policy positions and execution and roll-out of communications strategy. Once the design and build phase is complete, the Company will move to the implement and review phase which includes preparation of an IFRS opening balance sheet, compilation of comparative data, preparation of quarterly financial statements and disclosures, preparation of annual financial statements and disclosures, monitoring how IFRS evolves, conducting post implementation review and communicating ongoing requirements.

vi Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Section 1582 *Business Combinations*, 1601 *Consolidated Financial Statements* and 1602 *Non-controlling Interests* which replace CICA Handbook Sections 1581 *Business Combinations* and 1600 *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

1.14 Financial Instruments and Other Instruments

The carrying value of financial instruments which include cash, amounts receivable, accounts payable and accrued liabilities, amounts due to related parties and convertible loan approximate fair value because of the short-term nature of those instruments. As at December 31, 2009, the Company did not hold any marketable securities.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Capital

	Number of Shares	Amount \$	Contributed Surplus \$
Authorized			
Unlimited common shares, without par value			
Issued			
Balance, December 31, 2007	43,736,994	9,324,109	1,682,131
Issued for non-brokered private placement	1,600,000	160,000	-
Issued for mineral properties	250,000	20,000	-
Stock-based compensation	-	-	45,753
Balance, December 31, 2008 and December 31, 2009	45,586,994	9,504,109	1,727,884

On January 17, 2008, the Company issued 1,600,000 units for a price of \$0.10 per unit for gross proceeds of \$160,000. Each unit consisted of one common share of the Company and one-half share purchase warrant. Each whole warrant entitles the holder to acquire an additional share for twelve months at \$0.15 on or before January 17, 2009.

During the year ended December 31, 2008, the Company issued 250,000 common shares with a fair value of \$20,000 to settle annual pre-production costs for the Tay-LP Claims.

As at December 31, 2009, the Company received \$222,900 (2008 - \$139,000) in share subscriptions for a private placement consisting of 10,000,000 units at \$0.05 per unit for proceeds of \$500,000. Each unit will consist of one common share and one share purchase warrant granting the holder to purchase one additional common share of the Company at \$0.10 per common share for the first six months after the date of close, and \$0.15 per share for the following eighteen months thereafter. The Company will pay a finders' fee of 8%.

Share subscriptions

As at December 31, 2009, the Company received \$222,900 in share subscriptions towards a private placement. The private placement will consist of up to 10,000,000 units at a price of \$0.05 per unit for total maximum gross proceeds of \$500,000. Each unit will consist of one common share and one-half non-transferable share purchase warrant. Each full warrant entitles the holder to acquire a common share for a period of two years from closing at a price of \$0.15 per share. On January 29, 2010, the Company closed the first tranche of the private placement and issued 5,578,000 units for gross proceeds of \$278,900.

- a. Share purchase options outstanding at December 31, 2009 are as follows:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
500,000	\$0.36	August 29, 2010
75,000	\$0.34	November 22, 2010
<u>1,100,000</u>	\$0.12	April 26, 2012
<u>1,675,000</u>		

Subsequent to December 31, 2009, the Company granted 1,200,000 share purchase options under its stock option plan to directors, an employee and an investor relations firm. The stock options allow the holder to purchase common shares of the Company at \$0.05 per share until March 24, 2015.

- b. At December 31, 2009 there are no share purchase warrants outstanding. Subsequent to December 31, 2009, the Company issued 5,578,000 share purchase warrants with each share purchase warrant entitling the holder to purchase one common share to July 29, 2010 at \$0.10 per share and \$0.15 for the next eighteen months.

Internal Control over Financial Reporting

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have evaluated or caused to be evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and forms.

Internal Control Over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP"). The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, assessed or caused to be assessed the effectiveness of the Company's internal control over financial reporting. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework. Based on the results of that assessment, management and the Chief Executive Officer and Chief Financial Officer have concluded that, as at December 31, 2009, the Company's internal control over financial reporting was effective.

Our external auditors, Saturna Group Chartered Accountants, LLP, were not required to and has not reviewed our internal controls over financial reporting and has not attested to the nature of our compliance.

There has been no change in the Company's internal control over financial reporting during the Company's year ended December 31, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

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.

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.

RISK FACTORS

The Company is subject to a number of risks due to the nature of its business. The following factors should be considered:

Mineral Exploration and Development

The Company's properties are in the exploration stage and are without a known body of commercial ore. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in the discovery of a body of commercial ore on any of its properties. Several years may pass between the discovery and the development of commercial mineable mineralized deposits. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Trends

The Company's financial success is dependent upon the discovery of properties which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as market value of the products produced. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operation or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and

environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Environmental Factors

The Company proposes to conduct exploration activities in various parts of Canada and Mexico. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. In Canada, extensive environmental legislation has been enacted by federal, provincial and territorial governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held by the Company.

The approval on new mines of federal lands in Canada is subject to detailed review through a clearly established public hearing process, pursuant to the Federal Canadian Environmental Assessment Act. In addition, lands under federal jurisdiction are subject to the preparation of a costly environmental impact assessment report prior to commencement of any mining operations. These reports entail a detailed and scientific assessment as well as a prediction of the impact on the environmental and proposed development. Further, under such review process, there is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. Failure to comply with the legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offense under such legislation.

Canadian provincial mining legislation establishes requirements for the decommissioning, reclamation and rehabilitation of mining properties in a state of temporary or permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of the public safety. Some former mining properties must be managed for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and, in particular, the cost of long term management of mining properties can be substantial. The Company intends to progressively rehabilitate its mining properties during their period of operation, should any properties become operational, so as to reduce the cost of fulfilling closure requirements after the termination or suspension of production.

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceeds all environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. The Company is currently engaged in exploration with nil to minimal environmental impact.

Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.

Canadian Aboriginal Land Claims

Canadian Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such cooperation. While there is, to the Company's knowledge, no existing claim in respect of any of its properties, the advent of any future aboriginal land claims and the outcome of any aboriginal land claims negotiations cannot be predicted.

Competition and Agreements with Other Parties

The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable. The Company competes with many other companies that have substantially greater financial resources than the Company.

The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license (required to prospect or explore for minerals on Crown Mineral land or to stake a claim) in any Canadian province in which it is carrying out work. Mineral exploration primarily falls under provincial jurisdiction. However, the Company is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdiction, such as the Fish and Wildlife Act.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and other and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot accurately be predicted.

Price Fluctuations / Share Price Volatility

In recent years, the securities markets in North America have experienced high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that the continual fluctuations in price will not occur.

DIRECTORS AND OFFICERS

Marcus N. Foster	Director, President & CEO
Robert Jamieson	Director & CFO
David R. Reid	Director
T. Randal Sanders	Director
John Drove	Director

The Company is dependent on a small number of key directors and officers. Loss of any one of those persons could have an adverse affect on the Company. The Company does not maintain "key-man" insurance with respect to any of its management.

CONFLICTS OF INTEREST

Certain officers and directors of the Company are officers and/or directors of, or are associated with other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

OUTLOOK

The priorities for the balance of the year are to secure joint venture partners and/or receive funding by way of new equity financing for its Mexico prospect. The Company continues to be extremely encouraged by the results

received from its El Pulpo copper property and has commenced discussions with strategic partners to assist in the exploration and development of its 200 square kilometre property.

OTHER INFORMATION

The Company web address is www.rossriverminerals.com. Other information relating to the Company may be found on the SEDAR website www.sedar.com.

BY ORDER OF THE BOARD

“Marcus N. Foster”

Marcus N. Foster
President & CEO
April 30, 2010

“Robert Jamieson”

Robert Jamieson
Director & CFO