

SALARES LITHIUM INC.
(formerly P2P Health Systems Inc.)

**MANAGEMENT DISCUSSION AND ANALYSIS
AMENDED**

Three and Nine Months Ended April 30, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations of Salares Lithium Inc. (*formerly P2P Health Systems Inc.*) (the “Company”), dated as at June 28, 2010, should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes for the three and nine months ended April 30, 2010 and our audited financial statements and the accompanying notes for the year ended July 31, 2009. The reader should note that there has been a change of management and change of business, which was announced in June 2009. Please refer to the Company’s June 3, October 15, November 11 and November 26, 2009 news releases which can be found at www.sedar.com.

All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars, unless otherwise stated. All of the financial information referenced below has been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) applied on a consistent basis.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements (see "Forward-Looking Statements" reference in this report).

Description of Business

The Company was formed on October 6, 2003 by the completion of a takeover bid by Technology and Resource Capital Corporation (“TRC”), a capital pool company listed on the TSX Venture Exchange (the “Exchange”) pursuant to which TRC acquired all of the issued and outstanding shares of Person to Person Health Systems Inc., a private company amalgamated under the *Nova Scotia Companies Act* on January 15, 2001 (“Person to Person”). Person to Person then became the Company’s wholly-owned subsidiary. In conjunction with the acquisition, TRC changed its name to P2P Health Systems Inc. and Person to Person was discontinued under Section 133 of the *Companies Act of Nova Scotia* and was granted a Certificate of Continuance under the British Columbia Company Act. Subsequent to the Company’s fiscal year ended July 31, 2008, the subsidiary Person to Person was wound up and dissolved.

On June 3, 2009, the Company announced that it had entered into a letter agreement dated May 22, 2009, with Salares Atacama SCM (“SALA”), a private Chilean incorporated company, and its individual shareholders, all residents of Chile (collectively, the “Shareholders”). Pursuant to the letter agreement, the Company has the option to acquire up to 70% of the outstanding share capital of SALA. SALA is the 100% owner of concessions on seven salares (brine lakes) (“Salares 7”) known as Piedra Parada, Grande, Aguilar, Agua Amarga, La Isla, Las Parinas and Maricunga in Chile’s Region III.

The Company executed an Irrevocable Option to Purchase Agreement (the “IOA”) and a Partner Agreement (“PA”) on November 25, 2009, which replaces and supersedes the letter agreement dated May 22, 2009, as amended, pursuant to which the Company was granted the option to acquire up to 70% in the share capital of SALA.

Effective November 26, 2009, the Company changed its name to ‘Salares Lithium Inc.’ from ‘P2P Health Systems Inc.’ and graduated from the NEX board (“NEX”) to the Exchange as a Tier 2 mining issuer under the symbol ‘LIT’.

Review for the Nine Months Ended April 30, 2010

On November 25, 2009, the Exchange issued a final bulletin approving the change of business, graduation from NEX to the Exchange, a symbol change, a private placement, consolidation of the Company's share capital and a change of name. Proceeds from the private placement, which closed on September 22, 2009, were released from escrow on the November 26, 2009.

On December 1, 2009, the Company announced the appointment of Dr. Luis Ignacio Silva, Ph.D, C.Eng, as Exploration and General Manager, Chile and the initiation of exploration on its' Salares 7 lithium project. The program includes geophysical surveys to define the size and extent of brine pools within the basins and detailed sampling of the brines within the salares.

On January 5, 2010, the Company reported that it had significantly increased the size of its Salares 7 project by acquiring, through staking of concessions, an additional 57,200 hectares. The project area is now 96,604 hectares (966 square kilometres), which is more than double the original core salare (brine lake) concession holdings of 39,404 hectares (394 square kilometres).

On January 26, 2010, the Company announced the commencement of the first phase of the exploration program of a 54-line kilometre Transient Electromagnetic ("TEM") geophysical survey on the Company's Salar de La Isla and Salar de Las Parinas. The TEM geophysics program is being carried out by Geodatos SAIC of Santiago ("Geodatos"), Chile, a well known Chilean geophysics company with broad international experience. TEM uses electromagnetic impulse excitation to investigate the subsurface. It is a variation of the electromagnetic method in which electric and magnetic fields are induced by transient pulses of electrical current in coils or antennas instead of by continuous current. TEM surveys have become the most popular surface EM technique used in exploration for minerals, groundwater and environmental mapping.

On January 29, 2010, the Company announced that Mr. Pablo Mir had joined its Board of Directors. Mr. Mir is a Partner with the Chilean law firm of Bofill Mir & Alvarez Hinzpeter Jana where he leads the Natural Resource Practice in Santiago. Mr. Mir, who is considered a mining and natural resources legal specialist, graduated from Universidad de Chile, cum laude, and was admitted to the Chilean Bar in 1987. The Company granted 250,000 incentive stock options to Mr. Mir pursuant to its Stock Option Plan.

On January 29, 2010, the Company also announced that it had formed a Technical Management Committee (the "Committee"). The Committee will oversee the exploration and development programs on the Company's lithium brine properties. The Company's representatives on the Committee are Dr. David Shaw, Ph.D, Chairman of the Company, and Mr. Ignacio Silva, Ph.D, C. Eng., the Company's General Manager in Chile. SALA's representative on the Committee is Mr. Juan Villarzu, former President and CEO of Codelco, a Chilean state owned copper mining company.

On February 19, 2010, the Company announced the formation of a Corporate Advisory Board to assist in the development of the Company and its Salares 7 project. The Company's initial appointee is Dr. Ian Hutcheon. Dr. Hutcheon received his B.Sc. degree from the University of British Columbia (1969) and his Ph.D. from Carleton University in Ottawa (1997). His experience and focus in geochemistry and water-rock reactions will be a great asset to the Company in the understanding, and possible development, of the brine pools at the Salares 7 lithium project.

On March 8, 2010, the Company announced the results of the first phase of the TEM survey on the northern part of Salar de la Isla. Using a resistivity cut-off of 1 ohm/metre (interpreted by Geodatos as definite brine), Geodatos has calculated the brine bearing horizon within the northern portion of the salar to have a volume of 2.459 billion kilolitres (kilolitres are equivalent to cubic metres). Using a resistivity cut-off of 2 ohm/metres (interpreted by Geodatos as possible brines), the calculated volume of this horizon increases to 5.393 billion kilolitres.

On March 18, 2010, the Company announced the results of the TEM survey on Salar de las Parinas. Using a resistivity cut-off of 1 ohm/metre (interpreted by Geodatos as probable brine), Geodatos has calculated the brine bearing horizon within the surveyed portion of the las Parinas to have a volume of 1.177 billion cubic metres. Using a resistivity cut-off of 2 ohm/metres (interpreted by Geodatos as possible brines), the calculated volume of this horizon increases to 4.009 billion cubic metres.

On April 9, 2010, the Company announced that due to the positive results from the Company's first phase of the TEM survey completed on Salar de la Isla and Salar de las Parinas (announced on March 8 and March 18, 2010, respectively), the Company has now staked additional concessions to cover an extra 21,300 hectares of ground. The Company's land package now totals 117,904 hectares (117.9 square kilometres).

Subsequent Events

On June 1, 2010, the Company advised that it has initiated the process to transform the concessions that cover the aerial extent of the Project's salares/brine lakes (39,404 Ha) from the current 'exploration' concessions to 'exploitation' concessions. The purpose of advancing to this elevated stage of concession holding is two-fold: firstly; a Chilean lithium producer overstaked the Company's salar/brine lake concessions. In response, the Company needed to convert the exploration concessions to the more advanced exploitation concessions in order to maintain its preference and legal exclusivity on these concessions; secondly, this upgrading step would eventually become necessary in the event that the Company elects to put one or more of the salares into production in the future.

On June 4, 2010, the Company announced that it has signed a 3,000 metre diamond drill contract with Terraservices of Santiago, Chile. The program is designed to test selected parts of the interpreted brine bearing horizon (reservoir rock) at the Salar de la Isla, a brine lake 26km long and on average 6km wide. The depth of the known interpreted brine bearing horizon is less than 300 metres. Aquaconsult of Santiago, Chile, a hydrological consulting firm, will assist the Company and Terraservices with the drill program protocol and sampling. Drilling will begin once the base camp near to the Salar de la Isla is completed.

On June 10, 2010, the Company announced that its information will be made available via Standard & Poor's Market Access Program, an information distribution service that enables subscribing publicly traded companies to have their company information disseminated to users of Standard & Poor's Advisor Insight.

Please see www.salaeslithium.com or www.sedar.com for more details.

Salares 7 Project

The Agreement

The Agreement with SALA grants the Company an option to acquire up to 70% of the outstanding share capital of SALA, which is the sole owner of concessions on seven salares (brine lakes) known as Piedra Parada, Grande, Aguilar, Agua Amarga, La Isla, Las Parinas and Maricunga (collectively, the "Concessions") in Chile's Region III. Historical sampling has reported lithium and potash levels in all of the Concessions.

Under the Agreement, the Company has the exclusive right and option to acquire:

1. an initial 50% ownership interest (the “First Option”) in SALA, and indirectly the Concessions, upon filing with the Canadian regulatory authorities a National Instrument 43-101 compliant technical report regarding the Concessions (which was filed on October 15, 2009), and carrying out expenditures on the Concessions of US\$2,500,000 on or before the third anniversary of entering into the Agreement by the parties; and
2. an additional 20% ownership interest (the “Second Option”) in SALA, and indirectly the Concessions, upon completion, at the Company’s expense, and delivery to SALA’s board of directors a bankable feasibility study (the “Feasibility Study”) on the Concessions within 24 months from the date the First Option is exercised.

Notwithstanding that the Company may elect to exercise the First Option, there is no obligation to complete and deliver the Feasibility Study or exercise the Second Option. If the Company exercises the First Option but does not exercise the Second Option, it will retain its 50% ownership interest in SALA. If the First Option is terminated other than by the exercise thereof, the Company will have no further obligations or interest in the Concessions.

Upon completion of the Feasibility Study, the Company will have the exclusive right to arrange for project financing for the Concessions which are the subject of the Feasibility Study.

The board of directors of SALA will at all times be comprised of three directors, with the Company entitled to appoint two nominees and the Shareholders collectively being entitled to appoint one nominee, regardless of the number of shares of SALA being held by the Company or the Shareholders at any such time. Together with the Shareholders, the Company has formed a technical management committee which is comprised of three members, with the Company designating two members and the Shareholders collectively designating one member, to oversee the operations of the exploration and development of the Concessions including the supervision of the preparation of the Feasibility Study (see page 2 of this MD&A for more information regarding the technical management committee).

If any of the Shareholders or the Company wishes to sell its ownership interest in SALA, the other parties have a pre-emptive right of first refusal to acquire such shares.

The Project

The Salares 7 lithium project has a unique feature in that 5 of the 7 salares are clustered within 155 kms, in an area easily accessible by road. The second unique aspect of these 5 clustered salares is that they are, with the SALA partners, 100% owned. There is no severed ownership, allowing for the Company to advance beyond exploration, subject to feasibility, unencumbered by possible competing parties. The initial phase of the exploration program is based on the recommendations set forth in the technical report and will encompass geophysical surveys to define the size and extent of brine pools within the basins and detailed sampling of the brines within the salares.

Annual Financial Information

The following selected financial information is derived from the audited financial statements of the Company for the years ended July 31, 2009, 2008, the seven months ended July 31, 2007 and the year ended December 31, 2006, which are prepared in accordance with Canadian GAAP.

	Year Ended July 31, 2009	Year Ended July 31, 2008	Seven months Ended July 31, 2007	Year Ended December 31, 2006
	\$	\$	\$	\$
Operations:				
Revenues	-	-	-	-
Net loss	1,011,911	252,616	1,220,063	281,153
Net loss per share	0.05	0.02	0.04	0.01
Balance Sheet:				
Working capital (deficit)	(137,112)	108,082	(238,024)	(559,124)
Total assets	143,560	396,053	558,386	13,078
Total liabilities	224,734	207,193	779,046	716,199

Quarterly Financial Data

The following is a summary of the Company's quarterly results for the eight most recently completed financial quarters ended April 30, 2010:

Description	Apr 30, 2010 \$	Jan 31, 2010 \$	Oct 31, 2009 \$	July 31, 2009 \$	Apr 30, 2009 \$	Jan 31, 2009 \$	Oct 31 2008 \$	Jul 31, 2008 \$
Total assets	1,973,562	2,021,187	289,746	143,560	119,930	313,503	235,559	396,053
Working capital (deficiency)	986,087	1,457,978	(434,144)	(137,112)	(124,300)	67,158	(46,995)	108,082
Shareholders' equity (deficiency)	1,793,241	1,776,375	(234,752)	(81,174)	(51,808)	143,918	34,330	188,860
Total Revenues	-	-	-	-	-	-	-	-
Operating expenses	309,141	289,446	451,662	262,454	238,402	259,051	197,205	728,158
Net income (loss)	309,141	(288,943)	(451,662)	(317,253)	(238,402)	(259,051)	(197,205)	(252,616)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)	0.00	(0.01)

Results of Continuing Operations

Three months ended April 30, 2010 and 2009:

The Company reported a net loss of \$309,141 (2009 - \$238,402) which included non-cash stock-based compensation expense of \$126,590 (2009 - \$42,675).

- Professional fees recorded a credit of (\$7,464) (2009 - \$34,161) during the three months ended April 30, 2010. The credit is a result of a credit note received from the Company's legal counsel regarding legal work conducted in the prior quarter.
- Administrative related expenses increased to \$10,717 (2009 - \$9,526).
- Management fees decreased to \$52,591 (2009 - \$130,000) during the three month period ended April 30, 2010. The predominant decrease in management fees is due to the change in operations and management.
- Filing and transfer fees increased to \$20,779 (2009 - \$7,647). This increase includes the costs related to normal course regulatory filings and monthly transfer agent fees. Additional filings were required during the period due to the increased level of activity during the period.
- Office related expenses increased to \$35,410 (2009 - \$15,230) during the three month period ended April 30, 2010. This increase primarily relates to the new office lease agreement the Company entered into on January 1, 2010 and from an overall increase in the day-to-day office expenditures.
- Investor relations related expenses increased to 64,595 (2009 - \$Nil) during the three month period ended April 30, 2010. The predominant increase is due to the implementation of the Company's business plan to increase the Company's exposure.
- Research and due diligence fees decreased to \$Nil (2009 - \$22,598) due from the change of business activities during the period from research and development to mineral exploration.

General and administrative expenses excluding stock-based compensation during the three months ended April 30, 2010 decreased by 7% compared to the prior year's comparable period.

Nine months ended April 30, 2010 and 2009:

The Company reported a net loss of \$1,049,743 (2009 - \$694,660) which included non-cash stock-based compensation expense of \$496,702 (2009 - \$128,026).

- Professional fees increased to \$82,631 (2009 - \$40,618). The predominant increase in professional fees is due to the additional legal work required to facilitate the change of business and symbol, the graduation from NEX to the Exchange, a private placement, a consolidation of share capital and a change of name.
- Administrative related expenses increased to \$28,591 (2009 - \$19,713) during the nine month period ended April 30, 2010. The increase in administrative related expenses is due to the increased level of operating activity during the period.

- Management fees decreased to \$160,883 (2009 - \$273,000) during the nine month period ended April 30, 2010 due to the additional personnel required pertaining to the Salares 7 lithium project when compared to the prior period.
- Filing and transfer fees increased to \$48,729 (2009 - \$17,110). This included the costs related to normal course regulatory filings and monthly transfer agent fees. Additional filings were required due to the increased level of activity during the period.
- Office related expenses increased to \$58,775 (2009 - \$56,518).
- Investor relations related expenses increased to 64,595 (2009 - \$Nil) during the nine month period ended April 30, 2010. The predominant increase is due to the implementation of the Company's business plan to increase the Company's exposure.
- Research and due diligence fees increased to \$92,918 (2009 - \$81,412) due to the change of business activities during the period from research and development to mineral exploration. This type of expenditure is not anticipated in future operations.

General and administrative expenses excluding stock-based compensation during the nine months ended April 30, 2010 decreased by 2% compared to the prior year's comparable period.

Liquidity and Capital Resources

Activities of the Company have historically been funded through the sale of common shares and government assistance (prior to the reactivation) relating to research and due diligence activities and sales and marketing operations.

As at April 30, 2010, the Company had a working capital balance of \$986,087 compared to a working capital deficit balance of \$137,112 at July 31, 2009. A cash balance of \$1,060,280 was held at April 30, 2010, compared to \$47,553 at July 31, 2009. As at April 30, 2010, current liabilities included accounts payable and accrued liabilities of \$180,321 compared to \$224,734 as at July 31, 2009.

Net cash used in operating activities for the nine months ended April 30, 2010 was \$663,515 compared to \$587,434 for the prior year's comparable period.

During the nine month period ended April 30, 2010, a total of 4,178,250 share purchase warrants were exercised for total proceeds of \$912,840 and 315,625 share purchase options were exercised for proceeds of \$63,125.

During the nine month period ended April 30, 2010, the Company completed a non-brokered private placement of 9,375,000 units for gross proceeds of \$1,500,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.32 per common share until November 26, 2012.

The Company has sufficient working capital to fund exploration activities planned on its properties, as well as costs related to claim maintenance fees and general and administrative expenses for the next 12 months.

Related Party Transactions

During the nine month period ended April 30, 2010, the Company entered into transactions with related parties as follows:

- (a) Paid management fees of \$124,750 (2009 - \$273,000) to officers or companies controlled by directors or officers of the Company.
- (b) Paid acquisition and consulting fees of \$121,687 (2009 - \$Nil) to companies controlled by directors of the Company. All of these fees have been capitalized under mineral property interests.
- (c) Paid consulting fees of Nil (2009 - \$10,000) to a director of the Company classified as research and due diligence.

In addition to the above:

The Company entered into management service agreements with Rock Management Consulting Ltd. for the services of Todd Hilditch to act as the Company's Chief Executive Officer and President, and with Duckmanton Partners Ltd. for the services of David Shaw to act as the Company's Chairman of the Board and Vice President, Exploration. The management service agreements provide for a base monthly fee of \$10,000 payable to each party and are effective as of February 19, 2010. The term of the management service agreements is indefinite, but the engagement of the management consultant and the agreement may be terminated by either party.

All related party transactions were incurred in the normal course of business and have been recorded at the exchange amount, which is the amount agreed to between the parties.

Outstanding Share Data

- (a) Authorized: Unlimited number of common shares without par value.
- (b) Issued and outstanding as at April 30, 2010: 36,083,712 common shares with a stated value of \$7,716,219.
- (c) Outstanding incentive stock options:

	April 30, 2010 Number of Shares	Weighted Average Remaining Contractual Life (in Years)	Exercise Price	Expiry Date
Options	62,500	1.93	\$0.60	April 3, 2012
Options	-	-	\$1.26	July 12, 2012
Options	150,000	3.08	\$0.20	May 26, 2013
Options	1,760,000	4.47	\$0.20	October 13, 2014
Options	250,000	4.76	\$0.62	January 28, 2015
Options	900,000	4.82	\$0.60	February 18, 2015
Options	135,000	4.87	\$0.66	March 7, 2015
Total options outstanding	3,257,500	4.48	\$0.37	
Total options exercisable	2,481,250			

(d) Outstanding warrants:

Expiry Date	Exercise Price	April 30, 2010	Weighted Average Remaining Contractual Life (in Years)
January 9, 2010	\$ 0.20	-	-
January 23, 2010	\$ 0.20	-	-
November 26, 2012	\$ 0.32	8,731,750	2.58
		8,731,750	2.58

(e) Shares in escrow or pooling agreements: Nil

(f) As at June 28, 2010, there were 36,133,711 issued and outstanding common shares, 3,207,500 outstanding stock options and 8,731,750 outstanding warrants.

Market Risks and Uncertainties

The Company is in the business of acquiring and exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All of the mineral claims to which the Company has a right to acquire an interest are in the exploration and exploitation stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favourable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation, may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. 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 mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.

Supplies and Infrastructure

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surfaces access, skilled labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. Power may need to be generated onsite.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements, or transfers, or native claims, and title may be affected by undetected defects.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

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

Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Market for Securities

Effective November 26, 2009, the Company's common shares are listed and posted for trading on the Exchange under the trading symbol "LIT". Prior to this date, they were listed on the NEX under the symbol 'PTP.H'.

Off Balance Sheet

No off balance sheet transactions or commitments, as defined by National Instrument 51-102, have been transacted during the nine months ended April 30, 2010.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian GAAP requires the Company to select from possible alternative accounting principles and to make estimates and assumptions that affect the reported results. Critical accounting policies that affect the financial statements are summarized in Notes 2 to the audited consolidated financial statements for the year ended July 31, 2009 and the unaudited interim consolidated financial statements for the three and nine months ended April 30, 2010.

Changes in Accounting Policies Including Initial Adoption

There were no changes in accounting policies for the nine months ended April 30, 2010.

Management's Responsibility for Financial Information

Management has prepared the information and representations in this report. The financial statements have been prepared to conform to Canadian GAAP and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the audited consolidated financial statements.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and mineral property costs is provided in its consolidated statements of operations, deficit and comprehensive loss and the notes contained in its unaudited interim consolidated financial statements for the three and nine months ended April 30, 2010.

Approval

The Company's Audit Committee of the Board of Directors has approved the disclosure contained in this MD&A.

Additional Information

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

Forward-Looking Statements

This document contains forward-looking statements which may include sales, earnings, and profitability comments. These statements may contain words such as "anticipated", "expected", "could", "should", "may", "plans", "will", or similar expressions that are based on and arise out of its experience, its perception of trends, current conditions and expected future developments of the Company or other factors. These statements are not a guarantee of future performance. By their very nature, forward-looking statements involve uncertainties and the risk that the forecasts and targets will not be achieved.

Readers are cautioned not to place undue reliance on forward-looking statements as a number of important factors, as disclosed herein and in its other continuous disclosure documents, could cause actual results to differ materially from those expressed in such forward-looking statements. The Company includes in publicly available documents filed from time to time with securities commissions and the Exchange, a thorough discussion of the risk factors that can cause its anticipated outcomes to differ from actual outcomes. The Company disclaims any intention or obligation to update or revise forward-looking statements.