NORTHERN VERTEX MINING CORP.

Management Discussion and Analysis
for the year ended June 30, 2012

The Management Discussion and Analysis ("MD&A") of Northern Vertex Mining Corp., formerly Northern Vertex Capital Inc. (the "Company"), has been prepared by management as of October 22, 2012. This MD&A provides information on the operations of the Company for the year ended June 30, 2012 and should be read in conjunction with the consolidated financial statements and related notes thereto of the Company, which are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). In preparing the opening IFRS statement of financial position, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with previous Canadian Generally Accepted Accounting Principles ("Pre-changeover Canadian GAAP").

For a discussion of the Company's IFRS transition, refer to page 8 of this MD&A.

The Company has prepared this MD&A following the requirements of National Instrument 51-102 ("NI-51-102"). These statements are filed with the relevant regulatory authorities in Canada. All currency amounts are expressed in Canadian dollars unless otherwise noted.

Unless otherwise indicated, the geological disclosure contained within this MD&A has been reviewed and verified by the Company's Chief Geologist, Robert Thompson, PhD P.Eng (a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects).

Forward-Looking Information

The Company's consolidated financial statements for the year ended June 30, 2012, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "RISKS AND UNCERTAINTIES" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Issuer's Business

The Company was incorporated on June 7, 2007 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act of British Columbia.

The Company is an exploration stage mining company involved in the acquisition and exploration of mineral properties with a current focus in Canada and the US. The Company's main business objective is identifying mineralized deposits economically worthy of subsequent development, mining or sale. The core management and technical team are proven professionals, with extensive international experience in all aspects of mineral exploration, operations and venture capital markets. The Company is a listed issuer on the TSX Venture Exchange and its common shares trade under the symbol 'NEE'.

Overall Performance

On November 23, 2011, the Company received approval from the TSX Venture Exchange regarding the joint venture agreement it had entered into on September 21, 2011 with Idaho State Gold Company, LLC ("ISGC,") a private Idaho investment company, to acquire up to a 75.5% interest in the Lemhi Gold Project (the "Lemhi Property") located 25 miles north of Salmon, Idaho. Under the terms of the agreement, ISGC and the Company formed the joint venture entity named Lemhi Gold Trust, LLC ("JV LLC").

On November 23, 2011, the Company closed a Non-Brokered private placement (the "Private Placement") of 11,634,348 units (each "Unit") at a purchase price of $1.15 per Unit, for aggregate gross proceeds to the Company of $13,379,500.

Each Unit consisted of one common share ("Common Share") of Northern Vertex and one-half of one transferable share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to acquire one Common Share at an exercise price of $1.55 until November 23, 2013, subject to acceleration. The expiry date of the Warrants may be accelerated, at the sole option of the Company, to 30 business days following the date on which the Company gives notice that its common shares have closed for 21 consecutive trading days at a price of $2.00 or greater. Cash finder's fees in the aggregate amount of $865,231 have been paid to arm's length parties in relation to the private placement. All of the securities issued in the private placement will have a hold period which expires March 24, 2012. The net proceeds from the Private Placement will be used to finance acquisition and additional work on the Company's Lemhi property (see news releases September 26, 2011 and November 28, 2011), its other properties and for general working capital.

On February 16, 2012, the Company changed its name to "Northern Vertex Mining Corp." from "Northern Vertex Capital Inc."

On March 15, 1012, the Company announced that it had commenced the phase I drilling program on the Lemhi Gold Project. The 30,000 foot in-fill drill and resource confirmation program is to prove up and bring to National Instrument 43-101 standards the historical gold resource previously identified on the Lemhi property. Results were released on October 19, 2012 and can be found on the Company's website.

On March 22, 2012, the Company announced the results of its phase II drilling and development program on the Copley Gold property. A total of 1,200 meters over 12 drills holes were completed to test the project's Smoking Pipe target where previous results indicated the mineralized zoning identified on the property is near surface and the zones of gold-enriched rocks identified in the system thicken to the west. The results from phase II drilling show gold mineralization becomes more robust toward the northeast, on strike with surface showings situated approximately 800 meters away. Drill results reported on the Copley Gold property can be found on the Company's website.

On May 16, 2012, the Company announced all results of its phase II drilling program on the Moss Gold Silver project. The 20,000 foot program included: A multi-phase drill program to test the western extension of the Moss deposit; infill drilling to render 'inferred resources' into the 'indicated resources' category; continued scoping and baseline studies to advance the mine permitting process and; additional metallurgical testing to further define precious metal recoveries. 18 reverse circulation and 23 diamond drill holes were completed. The results further confirm that the western extension contains remarkably uniform gold and silver distribution over substantial widths. The Moss deposit has a strike length exceeding 6,000 feet and remains open to the West, East and at depth. Drill results reported on the Moss Gold Silver project can be found on the Company's website.

On September 10, 2012, the Company reported the findings of an independent resource calculation prepared in accordance with National Instrument 43-101, which reported the following:

At a 0.3 gram per ton gold cutoff the current resource at the Moss Property is reported as:

	MEASURED RESOURCE at 0.3 g/t Au Cutoff					
Tonnes	Grades (Grams/Tonne)[1]			Contained Metal (Ounces)[2]		
x 1,000	Au	Ag	Au Equivalent[3]	Au	Ag	Au Equivalent[4]
12,465	0.87	9.96	1.07	348,000	3,991,000	427,820[5]
	INDICATED RESOURCE at 0.3 g/t Au Cutoff					
Tonnes	Grades (Grams/Tonne)[1]			Contained Metal (Ounces) [2]		
x 1,000	Au	Ag	Au Equivalent[3]	Au	Ag	Au Equivalent[4]
18,414	0.73	8.19	0.89	432,000	4,849,000	528,980[5]
	MEASURED AND INDICATED RESOURCE at 0.3 g/t Au Cutoff					
Tonnes	Grades (Grams/Tonne)[1]			Contained Metal (Ounces) [2]		
x 1,000	Au	Ag	Au Equivalent[3]	Au	Ag	Au Equivalent[4]
30,879	0.79	8.90	0.96	780,000	8,840,000	956,800[5]
	INFERRED RESOURCE at 0.3 g/t Au Cutoff					
Tonnes	Grades (Grams/Tonne)[1]			Contained Metal (Ounces) [2]		
x 1,000	Au	Ag	Au Equivalent[3]	Au	Ag	Au Equivalent[4]
7,096	0.71	8.13	0.87	162,000	1,855,000	199,100[5]

[1] *Grams/Tonne = grams / metric tonne;*
[2] *Ounces = troy ounces / short ton*
[3] *AuEq (gpt) = Au (gpt) + 1/50th Ag (gpt)*
[4] *AuEq (ozs) = Au (ozs) + 1/50th Ag (ozs)*
[5] *Assumes 100% metallurgical recovery*

The mineral resource estimate was completed by Mr. Scott E. Wilson, C.P.G., of Scott E. Wilson Consulting, Inc. ("SEWC"), an independent qualified resource evaluator; this estimate has an effective date of September 9, 2012, and complies with National Instrument 43-101 for the Standard of Disclosure for Mineral Projects as adopted by the Canadian Securities Regulators.

Subsequent Event

On September 23, 2012, the Company announced the appointment of Mr. Ed J. Duda to the position of Chief Financial Officer and Corporate Secretary of the Company. He brings over 22 years of senior industry experience within private and public companies in all aspects of corporate finance, administration, strategic planning, operations, business development, risk management and technology implementation. Prior to joining the Company, he served as Senior Vice-President and Chief Financial Officer of Union Securities Ltd., where he served as a senior member of the Executive Committee and was responsible for overseeing finance, regulatory reporting and risk management for 14 offices and over 300 employees, located nationwide and in the United Kingdom.

Mineral Properties, United States
Moss Gold Property, Mohave County, Arizona

The Moss Gold Silver property is located in Arizona's historic Oatman Mining District, which has produced over 2 million ounces of gold principally from high-grade underground operations. Historically, 305 drill holes were drilled on the Moss property between 1982 and 2008 for a total of 54,390 feet.

On March 9, 2011, the Company entered into a letter agreement with Patriot Gold Corp. ("Patriot"), whereby the Company was granted the right to earn a 70% interest in Moss located in Mohave County, Arizona. To fulfill the terms of the Exploration and Option Agreement, the Company paid Patriot US$500,000 upon execution of the agreement and must spend an aggregate total of US$8 million on exploration over five years. Financing of further work on the property will be on a proportional basis under the direction of a management committee with voting rights proportional to ownership percentage. Additionally, the Company will pay a 3 percent finder's fee to a non-related party based on the initial payment and exploration expenses, payable in quarterly installments. On commercial production a fee of up to US$15 per troy ounce of gold produced and up to US$0.35 per troy ounce of silver produced is payable to BHL. The fee can be purchased by the Company for US$2.4 million.

The Company has completed approximately 94,721 feet of infill and resource definition drilling within its phase I and II programs on Moss. On September 10, 2012, the Company reported an updated NI 43-101 Canadian Institute of Mining ("CIM") Compliant resource estimate (see 'Overall Performance' section of MD&A) which was based on 330 exploration drill holes and 1,936 feet of channel sampling from surface and underground trenches and cross-cuts.

The Company filed a NI 43-101 compliant Technical Report on or before October 25, 2012, and can be reviewed on SEDAR (www.sedar.com).

Lemhi Gold Property, Lemhi County, Idaho

The Lemhi Property consists of 4 contiguous mining properties located in Sections 4, 5, 8 and 9 of T25N, R21E and Sections 28, 29, 32 and 33 of T26N, R21E in Lemhi County, Idaho, including patented claims covering 613 acres and 73 unpatented claims of approximately 1,400 acres. The Lemhi Property was recently consolidated from numerous underlying property holders providing an interest in a newly consolidated regional exploration opportunity.

The Lemhi Gold Property geology is underlain by meta-sedimentary rocks of the Lemhi Group of late-Proterozoic age. The Lemhi Group package of rocks has been thrust over the older Yellowjacket Formation of Proterozoic age. This thrusting event is believed to be an important feature that helped control the emplacement of gold mineralization. Quartz diorite sills intrude the metasedimentary units.

Gold mineralization occurs proximal to the sills and is associated with intense silicification and massive quartz veins. Oxidation extends to a depth of approximately 100 to 150 feet. Gold below the oxide zone is with sulfides. Total sulfides are usually less than 2 percent and include pyrite and chalcopyrite. Trace elements associated with gold include copper and molybdenum.

The joint venture entity, JV LLC, has consolidated and acquired the Lemhi Property from four underlying vendors for a total acquisition cost of US$9.5 million, of which US$5.75 million was paid on September 23, 2011 (the "closing date"), US$2.65 million is payable on the first anniversary of the closing date, US$150,000 is payable on the second and third anniversaries of the closing date and US$200,000 is payable on the fourth through seventh anniversaries of the closing date.

The Company has paid $7.65 million to acquire a 51% interest in JV LLC, which holds 100% of the Lemhi Property. The Company has the right to acquire an additional 24.5% interest in the Lemhi Property from ISGC within 24 months of the Closing Date subject to the production of a NI 43-101 compliant report on the Lemhi Property. The price to exercise this option is payable to ISGC and is any one of the following (which ISGC is entitled to select):

a) That number of Northern Vertex shares equal to X (the "Option Value") divided by Y, where X = one-half of ISGC's total actually funded amounts in respect of the Joint Venture up until the date Northern Vertex exercises the option, plus 10% annual interest from the dates of such funding, and Y = US$2.00;
b) Three times the Option Value payable in cash;
c) Three times the Option Value payable in Northern Vertex shares, such shares to be calculated based on Northern Vertex' 20-day volume weighted average trading price on the TSX Venture Exchange ending on the trading day prior to the date Northern Vertex elects to exercise the option.

Under International Accounting Standards ("IAS 31"), the Company records its interest in the JV LLC as an equity investment, whereby the investment's carrying cost is recorded on the Statements of Financial Position and the Company's share of the investment's expenses and profits is recorded in the Statements of Operations and Loss.

Mineral Properties, Canada
Copley Gold Property, British Columbia

The Copley Property ("Copley") covers 4,475 hectares and is located 30 km south of the town of Fraser Lake. The property is underlain by a variety of andesitic to rhyolitic extrusive igneous rocks belonging to the Upper Cretaceous Kasalka Group and or the Eocene Ootsa Lake Group; these volcanic rocks were erupted during one or more episodes of crustal extension 90 – 47 million years ago. Several prominent silicified, hydrothermally brecciated, rhyolite "domes" display characteristics consistent with epithermal-style gold mineralization. Copley is a low sulfidation epithermal gold prospect displaying the alteration assemblages, mineralogical textures and low sulfide-mineral content typical of this deposit-type.

On January 18, 2011, the Company received TSXV approval having entered into a letter agreement with Kootenay Silver Inc., formerly known as Kootenay Gold Inc. ("Kootenay"), dated November 10, 2010, whereby the Company was granted the right to earn a 60% undivided interest in the Copley Gold project ("Copley") located in the Nechako Plateau of Central British Columbia. Pursuant to the terms of the Option Agreement, the Company must spend $2,200,000 on exploration over a four-year period and issue up to 800,000 common shares, with 200,000 issued on TSXV approval and the remainder in equal installments on each of the first, second and third anniversaries of the letter agreement.

The Company has completed 2,300 meters over 23 drill holes during its phase I and II drilling programs. On March 22, 2012, the Company announced the results of its phase II drilling and development program which was completed to test the project's Smoking Pipe target where previous results from the phase I program, which showed 9 holes intersected gold including a 33 m intersection of 0.271 g/t Au in hole 01-04 (see news release dated March 2, 2011), indicated the mineralized zoning identified on the property is near surface and the zones of gold-enriched rocks identified in the system thicken to the west. The drill program confirmed that gold occurs in silicified volcanic rocks containing disseminated or vein-pyrite and anomalous concentrations of zinc and mercury. These are the same associations observed at Richfield's Blackwater project located 40 km south of Copley.

The Company filed a NI 43-101 compliant Technical Report on February 17, 2011 and can be reviewed on SEDAR (www.sedar.com).

Selected Annual Financial Information

The following selected financial information is derived from the audited financial statements of the Company for the years ended June 30, 2012, 2011, 2010, and 2009, which are prepared in accordance with IFRS and Pre-changeover Canadian GAAP.

	In accordance with IFRS		**In accordance with Pre-changeover Canadian GAAP**	
	Year Ended June 30, 2012	**Year Ended June 30, 2011**	**Year Ended June 30, 2010**	**Year Ended June 30, 2009**
Revenue	$ -	$ -	$ -	$ -
Net Loss	(1,881,990)	(790,897)	(7,712)	(38,237)
Total Assets	15,743,123	3,542,624	919,923	415,712
Total Liabilities	375,460	413,267	41,023	12,657
Shareholders' Equity	15,367,663	3,129,357	878,900	403,055

Summary of Quarterly Financial Information

	Three Months Ended Jun 30, 2012	**Three Months Ended Mar 31, 2012**	**Three Months Ended Dec 31, 2011**	**Three Months Ended Sep 31, 2011**	**Three Months Ended Jun 30, 20112**	**Three Months Ended Mar 31, 2011**	**Three Months Ended Dec 31, 2010**	**Three Months Ended Sep 31, 2010**
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Loss	(269,384)	(762,357)	(629,421)	(220,828)	(401,662)	(144,823)	(213,796)	(30,706)
Total Assets	15,743,123	16,217,971	17,483,624	4,113,175	3,542,624	3,249,803	857,595	1,014,300
Total Liabilities	375,460	597,539	1,311,960	314,116	413,267	2,428,909	75,019	166,106
Shareholders' Equity	15,367,663	15,620,432	16,171,664	3,799,059	3,129,357	820,894	782,576	848,194

Results of Operations

For the three months ended June 30, 2012, the Company reported a net loss of $269,384 (2011: $401,662). The Company incurred deferred expenses of $12,164 (2011: $nil) relating to the Copley Gold Property, $428,590 (2011: $1,954,747) relating to the Moss Gold Property.

For the three months ended June 30, 2012, the Company incurred professional fees including audit, consulting and legal costs of $34,414 (2011: $49,650). Marketing expenses of $(30,826) (2011: $24,660) - the credit balance was the result of non-cash IFRS adjustments. The Company recognized $86,958 (2011: $208,464) in share-based compensation. The decrease in share-based compensation relates to adjustments regarding IFRS. Transfer agent and filing fees totalled $6,679 (2011: $7,968) which was related to ongoing fees regarding the listing of the Company on the TSXV. Management fees for the period were $(187,517) (2011: $28,000). The credit balance resulted from re-allocation of management fees to mineral properties and non-cash IFRS adjustments. Depreciation for the period was $90 (2011: $25). Property fees for the period were $52,729 (2011: 46,462). Office and miscellaneous expenses including printing and postage expenses were $5,952 (2011: $88). Travel, meetings and conferences expenses for the period were $73,078 (2011: $13,998). The increase in travel relates to acquisition and management of properties in the US. Rent for the period was $12,818 (2011: $9,409). Subcontractor expenses totalled $24,178 (2011: $7,800). The Company recorded its share of losses in its JV, which totalled $43,971 (2011: $nil).

The Company incurred a foreign exchange loss of $640 (2011: loss of $21,701) due to the volatility of the US dollar against the Canadian dollar during the period.

For the three months ended June 30, 2012, the Company recorded interest income of $4,526 (2011: $872) relating to interest earned. Administration income related to the management of the JV LLC's Lemhi Gold Project of $9,832 (2011: $nil). The Company recorded mineral property impairment on the termination of its Deer Park Property, which totalled $160,578 (2011: $nil).

For the year ended June 30, 2012, the Company reported a net loss of $1,881,990 (2011: $790,987). The Company incurred deferred expenses of $530,941 (2011: $286,938) relating to the Copley Gold Property, $2,416,917 (2011: $1,954,747) relating to the Moss Gold Property, and $68,080 (2011: $nil) relating to the Lemhi Gold Property. For the year ended June 30, 2012, the Company paid US$7,650,000 ($7,788,465) to JV LLC, of which US$3,882,500 ($3,952,773) was related to the acquisition of the Lemhi Gold Property. The remaining balance of US$3,767,500 ($3,835,692) will be used to fund the Company's 51% interest in future exploration expenses. Under the terms of the agreement, US$3,750,000 ($3,817,875) remains payable from JV LLC to the four underlying vendors on the second through seventh anniversaries of the closing date.

For the year ended June 30, 2012 the Company incurred professional fees including audit, consulting and legal costs of $239,048 (2011: $103,534). The increase in professional fees related to increased consulting expenses and legal costs associated with property agreements. Marketing expenses of $199,876 (2011: $34,493) increased as a result of increased advertising spending. The Company recognized $527,578 (2011: $455,543) regarding stock-based compensation. Transfer agent and filing fees totalled $53,527 (2011: $28,937) which was related to ongoing fees regarding the listing of the Company on the TSXV. Management fees for the period were $83,625 (2011: $51,500). Depreciation for the period was $256 (2011: $25). Property fees for the period were $70,997 (2011: $46,462). Office and miscellaneous expenses including printing and postage expenses were $56,132 (2011: $2,846). Travel, meetings and conferences expenses for the period were $295,823 (2011: $14,049). The increase in travel related to the acquisition and management of properties in the US. Rent for the period was $41,368 (2011: $35,059). Subcontractor expenses totalled $102,938 (2011: $27,450). The Company recorded its share of losses in its JV, which totalled $64,393 (2011: $nil).

The Company incurred a foreign exchange loss of $6,882 (2011: loss of $8,453) due to the volatility of the US dollar against the Canadian dollar during the period.

For the year ended June 30, 2012, the Company recorded interest income of $11,199 (2011: $1,671) relating to interest earned. Administration income related to the management of the JV LLC's Lemhi Gold Project of $9,832 (2011: $nil). The Company recorded mineral property impairment on the termination of its Deer Park Property, which totalled $160,578 (2011: $nil).

Liquidity and Capital Resources

As at June 30, 2012 the Company had working capital of $2,383,583 (2011: $726,784) including cash and cash equivalents of $2,413,515 (2011: $1,029,668), accounts receivable and advances of $109,453 (2011: $9,700), HST receivable of $161,881 (2011: $72,990), prepaid expenses of $74,194 (2011: $27,693) and current liabilities of $375,460 (2011: $413,267).

On November 23, 2011 a private placement of 11,634,348 units at $1.15 for gross proceeds of $13,379,500. Each unit consisted of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase a common share at a price of $1.55 per share until November 23, 2013. Total cash finder's fees of $865,231 were paid to non-related parties and share issuance costs of $50,362 were incurred.

The cash position will enable the Company to continue exploration efforts in the United States and Canada, as well as to identify new properties and forming joint ventures to managing risk, in which partner companies explore and develop such projects in return for the right to earn an interest in them. The Company expects to obtain financing in the future primarily through further equity, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

The poor conditions in the US housing market and the credit quality of mortgage backed securities have stabilized versus 2008 and 2009 but a loss of confidence in the broader US and European markets and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. These disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for us to obtain, or increase our cost of obtaining, capital and financing for our operations.

The Company's access to additional capital may not be available on terms acceptable to us or at all. As we expect our reliance on equity financings to continue into the future, these current market conditions could make it difficult or impossible for us to raise necessary funds to meet our capital requirements. If we are unable to obtain financing through equity investments, we will seek multiple solutions including, but not limited to, credit facilities or debenture issuances. We are also attuned to the affect of capital markets on many of our joint venture partners who may not be able to meet their obligations under their option or joint venture agreements.

Contractual Obligations

The Company has entered into a contract for office rent that commences January 1, 2013 and expires December 31, 2015. The Company is currently paying a monthly fee until August 2012, at which point it will receive a four-month rent free period in its new office space. The following table summarizes the Company's total fiscal obligations under this agreement:

2013	$	27,996
2014		38,016
2015		38,016
2016		19,008
	$	123,036

Related Party Transactions

As at June 30, 2012, the Company incurred $105,000 (2011: $20,000) for administration and consulting costs, which were paid to a private corporation that has an officer in common. The Company also incurred $112,500 (2011: $51,500) for management fees that were paid to companies controlled by officers. Consulting and geological fees of $179,691 (2011: $nil) were paid to companies controlled by certain directors and an officer. For the year ended June 30, 2012, the Company was charged $122,909 (2011: $338,788) for exploration costs and $92,039 (2011: $8,421) for operating expenses that were paid to a public corporation that has an officer in common.

As at June 30, 2012, $74,419 (2011: $nil) was included in accounts receivable from Lemhi Gold Trust, which was collected subsequent to the period. For the year ended June 30, 2012, $9,832 (2011: $nil) was recognized as administration income received from Lemhi Gold Trust.

As at June 30, 2012, $4,800 (2011: $4,800) was included in prepaid expenses and $12,191 (2011: $29,800) was included in accounts payable and accrued liabilities that was due to companies with an officer in common. $12,081 (2011: $nil) was due to a director of the Company and is included in accounts payable and accrued liabilities. The Company incurred $216,230 (2011: $126,405) regarding share-based compensation to related parties during the year ended June 30, 2012.

In addition to the above, pursuant to the option agreement for the Copley Gold Project, the Company issued 200,000 common shares that were recorded at $90,000 during the year ended June 30, 2011 and an additional 200,000 common shares were valued on the first anniversary of this agreement at $260,000 and were issued subsequent to June 30, 2012. During the year ended June 30, 2012, the Company incurred deferred expenses of $270,941 (2011: $196,938) relating to the exploration advancement of the Copley Gold Project.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with any conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

Accounting

Critical Accounting Estimates

Please refer to Note 3 of the Company's Annual Financial Statements for additional information under "Significant Accounting Policies".

Changes in Accounting Policies Including Initial Adoption

The year ended June 30, 2012, with comparative financial results for the year ended June 30, 2011 is the Company's first year ended reported under IFRS. The consolidated financial statements, including comparative figures, have been prepared in accordance with IFRS 1 – First-time Adoption of International Reporting Standards.

Through June 30, 2011, the Company's financial statements were prepared in accordance with pre-changeover Canadian GAAP. While IFRS uses a conceptual framework similar to pre-changeover Canadian GAAP, there are significant differences in recognition, measurement and disclosures. In the Company's MD&A for the year ended June 30, 2010, it was disclosed that conversion to IFRS would appear to not impact on such matters as how the Company accounts for its mineral properties (capitalization of exploration costs is permitted under both IFRS and pre-changeover Canadian GAAP). Moreover, as the Company currently does not generate sales or revenues, differences in revenue recognition practices between pre-changeover Canadian GAAP and IFRS is not a factor in assessing the impact of the conversion to IFRS on the Company's accounts.

A discussion of the significant IFRS accounting policies that have been adopted by the Company is presented in Note 3 to the consolidated financial statements for the year ended June 30, 2012. The adoption of IFRS did result in changes to the consolidated statements of financial position and statements of comprehensive loss for the Company as previously reported under pre-changeover Canadian GAAP. Under IFRS 1, companies are required to present reconciliations from pre-changeover Canadian GAAP to IFRS as follows:

Reconciliation from pre-changeover Canadian GAAP to IFRS

The information regarding the IFRS changeover adjustments is presented in Note 15 of the consolidated financial statements for the year ended June 30, 2012.

The effect of the transition to IFRS on the statement of cash flows was negligible and the presentation of reconciliation tables for cash flows has been omitted, as inclusion of such reconciliations would not provide the reader with meaningful information.

IFRS 1 gives reporting entities adopting IFRS for the first time a number of optional exemptions and mandatory exceptions in certain areas, to the general application of full retrospective application of IFRS.

Optional exemptions:

a) Cumulative translation differences – IFRS 1 permits cumulative translation differences at the date of transition to be deemed zero. The Company elected to deem cumulative translation differences to be zero on July 1, 2010 and as a result, no transition adjustment was recorded.

b) to apply the requirements of IFRS 2, Share-based payment, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date.

Mandatory exceptions

Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the Transition Date must be consistent with estimates made for the same date under pre-changeover Canadian GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of July 1, 2010 are consistent with its pre-changeover Canadian GAAP estimates for the same date.

Management performed a detailed review of the Company's books and records in order to identify differences between GAAP and IFRS that affect the Company. After completing the review, no material adjustments were deemed necessary to convert the Company's financial reporting to IFRS. No changes in the Company's system of internal controls over financial reporting are required in the adoption of IFRS.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2012 reporting period:

• IFRS 9, Financial Instruments, addresses classification and measurement of financial instruments and replaces the multiple category and measurement models in IAS 39, Financial Instruments - Recognition and Measurement, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through Profit or (Loss) or at fair value through Other Comprehensive Income (Loss). IFRS 9 is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard.

• On January 1, 2013, the Company will be required to adopt IFRS 12, Disclosure of Involvement with Other Entities, which includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

• On January 1, 2013, the Company will be required to adopt IFRS 13, Fair Value Measurement. Upon adoption, the Company will provide a single framework for measuring fair value while requiring enhanced disclosures when fair value is applied. IFRS 13 is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

• On January 1, 2013, the Company will be required to adopt IAS 28, Investments in Associates and Joint Ventures. As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will further provide the accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Company will apply this standard when there is joint control, or significant influence over an investee. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Disclosure of outstanding Share Data

The following table states the diluted share capital of the Issuer as at October 22, 2012:

	Number Shares Outstanding (Diluted)
Balance as at June 30, 2010	**18,250,000**[(1)]
Shares issued pursuant to a private placement	3,143,000
Exercise of warrants	4,300,000
Exercise of stock options	12,000
Acquisition of mineral property	200,000
Balance as at June 30, 2011	**25,905,000**
Shares issued pursuant to private placement	11,634,348
Exercise of warrants	7,450,000
Exercise of stock options	30,000
Balance as at June 30, 2012	**45,019,348**
Exercise of stock options	25,000
Balance as at October 22, 2012	**45,044,348**
Shares reserved for issuance pursuant share purchase options outstanding	2,073,000[(2)]
Shares reserved for issuance pursuant share purchase warrants outstanding	7,138,674[(3)]
DILUTED TOTAL	**54,256,022**

Notes:

1 As at October 22, 2012, 660,000 shares remain held in escrow.

2 As at October 22, 2012, the Company had outstanding stock options enabling holders to acquire common shares of the Company as follows:

Number of Shares		Exercise Price	Expiry Date	Shares Exercisable
500,000	$	0.10	April 10, 2013	500,000
923,000		0.45	November 13, 2015	923,000
200,000		1.00	May 17, 2016	200,000
250,000		1.15	June 1, 2016	250,000
200,000		1.30	December 12, 2016	200,000
2,073,000				2,073,000

3 As at October 22, 2012, the Company had outstanding share purchase warrants enabling holders to acquire common shares of the Company as follows:

Number of Shares	Exercise Price	Expiry Date	Shares Exercisable
	$		
1,321,500	1.15	April 4, 2013	1,321,500
5,817,174	1.55	November 23, 2013	5,817,174
7,138,674			7,138,674

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 project management fees and 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.

The Company anticipates future expenses will require additional infusions of capital and there can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Resulting Issuer may change and investors may suffer additional dilution. Furthermore, if financing is not available, lease expiry dates, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of the shareholders' entire investment.

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 pre-production 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.

Supplies, Infrastructure, Weather and Inflation

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 on site. Due to the partial remoteness of its exploration projects, the Company is forced to rely on the accessibility of secondary roads.

Recent, improved market conditions for resource commodities after several years of record low prices have resulted in a dramatic increase in mineral exploration, which has resulted in widespread shortages of experienced technical personnel, and heavy demand for drillers, helicopters and crews, and geophysical surveying crews, as well as other goods and services required by exploration companies to perform work. With the recent global financial crisis, mineral exploration expense has been reduced until the fall out from the crisis is truly known. The Company views access to service providers more readily available at this moment.

It is difficult at this stage to quantify the effect of the global financial crisis in respect to the demand for exploration goods and services, but it is forecast that field costs for the upcoming field season may well be less than has been seen in the past twelve months.

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 and 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 interest may be subject to prior unregistered agreements, or transfers, or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses
The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in British Columbia provides restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The current operations of the Company require permits from various provincial and state authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters.

The Company believes that it is in substantial compliance with all material laws and regulations, which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

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 expenses 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.

Disclosure Controls and Procedures and Internal Control over Financial Reporting
Management is responsible for the preparation and integrity of the financial statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosures are identified and reported in a timely manner.

Management is also responsible for the design of the Company's internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Approval
The Audit Committee of the Company has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information related to the Company can be found on SEDAR at www.sedar.com and on the Company's website, www.northernvertex.com.