

Masuparia Gold Corporation

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended September 30, 2009

Date of Report: January 28, 2010

Directors and Officers as at January 28, 2010:

Directors:

David Baker
Don Dybyk
Brian Grant
Earl Terris

Officers:

David Baker, President
Brian Grant, VP Exploration
Vivian Gu, CFO

Contact Name:

David Baker

Website:

www.masupariagold.com

TSX Venture Exchange Symbol:

MAS.V

Form 51-102F1

MASUPARIA GOLD CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended September 30, 2009

1.1 Date of This Report

January 28, 2010

1.2 Overall Performance

Description of Business

Masuparia Gold Corporation (the “Company”) is a publicly listed company trading under the symbol “MAS” (formerly “MPG”) on the TSX Venture Exchange (the “Exchange”). The Company was formerly in the mineral exploration business; however, during 2000, the Company divested its mineral exploration interests and reflected these operations as discontinued. Subsequent to this divestiture, the Company announced that it was contemplating a Change of Business from mining exploration to the non-resource sector. It then entered into an agreement to acquire a financial services company offering online trading and clearing services to international financial institutions through a fully functional website. This proposed Change of Business was not concluded and the Company returned to the mining sector in 2001 seeking opportunities in the resource industry.

The Company currently owns a 51% stake in the Greywacke gold property, in Saskatchewan.

Pursuant to the shareholders’ approval at the annual and special general meeting of shareholders held on June 15, 2009, the Company has consolidated its capital on a 10 old for 1 new basis. Effective at the opening July 16, 2009, the shares of the Company commenced trading on TSX Venture Exchange on a consolidated basis.

The numbers of shares and issue prices per share in this report have been restated to reflect the share consolidation.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>September 30,</u> <u>2009</u>	<u>September 30,</u> <u>2008</u>	<u>September 30,</u> <u>2007</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	\$2,700,712	\$449,800	\$609,963
(ii) Loss per share - basic	\$0.73	\$0.35	\$0.09
(iii) Loss per share - diluted	\$0.73	\$0.35	\$0.09
(c) Net loss			
(i) Total loss	\$2,700,712	\$449,800	\$609,963
(ii) Loss per share - basic	\$0.73	\$0.35	\$0.09
(iii) Loss per share - diluted	\$0.73	\$0.35	\$0.09
(d) Total assets	\$1,859,882	\$4,089,508	\$2,887,975
(e) Total long-term liabilities	-	-	-
(f) Cash dividends declared per-share	N/A	N/A	N/A

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the financial statements of the Company and notes attached hereto.

Mineral Properties

As at September 30, 2009, the Company had the following mineral properties interests:

Greywacke Property

On May 21, 2001, the Company entered into an option agreement with two companies (the "Optionors") whereby the Company could earn a 51% interest in four mineral claims located in northern Saskatchewan for the following consideration:

- i) \$10,000 (paid);
- ii) 16,665 common shares (issued); and
- iii) incurring exploration of \$850,000 (incurred).

The Greywacke property is located 85 kilometers north-east of La Ronge, Saskatchewan and comprises four (4) mineral claims totaling 268 hectares. A resource estimate by Cameco in 1991, based on 30 drillholes, outlined 298,000 tonnes grading 9.2 g/t gold in the Greywacke North Zone. A subsequent resources estimate by Wardrop in 2004 estimated 254,000 tonnes grading 8.79 g/t gold using a 5 g/t gold cut-off. It should be emphasized that these two historical estimates are unclassified, not compliant with NI 43-101 requirements, and should not be relied upon as an accurate representation and estimation of the gold resources. A small drill program undertaken by the company in 2005 on the Greywacke North deposit drilled a best intercept grading 8.2 g/t gold over 26.64 meters. Drilling results indicate that the deposit is open at depth. The Greywacke South and Lyons Zone are smaller additional gold zones identified and drilled historically, with best drilled intercepts of 5.3 g/t gold over 4.25 m and 26.4 g/t gold over 1.9 m respectively.

Greywacke – Exploration Results

Permit acquisition and initial planning and preparation for an exploration program on the Greywacke property took place during February 2008, and a drilling program of nineteen holes for a total of 3000.73 metres was completed in April 2008 and split-core samples were submitted to TSL Laboratories in Saskatoon for assay.

Assay results for the first eleven drillholes, all drilled within the North Zone were contained in a press release on May 21, 2008. Results for the remaining drillholes on the North and South zones were contained in a press release on June 16, 2008. The program results contained information which extended the economic potential of both the North and South zones and provided indications of economic potential in the area between these zones.

Greywacke – Future Developments

The Company is reviewing the results of the exploration to date and is formulating an exploration plan to better define the economic potential of the property.

Prior to the 2008 drill program, the Company commissioned Wardrop Engineering Inc. (Toronto) to do an NI 43-101 compliant resource estimate and the results were released to the public on April 7, 2008. Wardrop reported an Indicated Resource of 184,000 tonnes grading at 8.40 grams per tonne gold plus an Inferred Resource of 58,000 tonnes at 7.29 grams per tonne gold at a cut-off of 5 grams per tonne gold. The technical report is available for viewing on the company website at www.masupariagold.com.

The Company expects to follow up the new and positive results of the 2008 drill program and test the regional potential for the gold zone within the North and South zones.

Ungava Property

On July 30, 2004, the Company reached an agreement with Goldbrook Ventures Inc. (“Goldbrook”), whereby Goldbrook acquired 100% of the Company’s interest in this property. As consideration Goldbrook delivered 3,000,000 common shares to the Company.

This Agreement replaced the option previously granted to Goldbrook by the Company to earn up to an 80% interest in the Property. The Property is subject to a 1% net smelter return royalty on any mineral production from the Property. Goldbrook has the option to purchase one-half of this royalty for \$1 million.

Sucara

By agreements dated April 2007, the Company announced the acquisition of two options to purchase a 100% interest in the Sucara property. The Sucara property consisted of two mining claims totalling 161 hectares located in the State of Chihuahua, Mexico in the municipality of Guadalupe y Calvo. During the year ended September 30, 2009, the Company terminated these option agreements and wrote off \$82,592 in acquisition costs and deferred exploration costs.

Tenoriba

By agreements dated April 2007, the Company announced the acquisition of two options to purchase a 100% interest in the Tenoriba property. The Tenoriba property consisted of three mining claims totalling 8,100 hectares, located in the municipality of Guadalupe y Calvo, State of Chihuahua, Mexico. During the year ended September 30, 2009, the Company terminated these option agreements and wrote off \$2,122,508 in acquisition costs and deferred exploration costs.

Discussion of Operations and Financial Condition

Results of Operations

The net loss for the year ended September 30, 2009 were \$2,700,712 as compared with \$449,800 for the year ended September 30, 2008. The increase in net loss of \$2,250,912 was mainly due to the write-off of mineral properties in the amount of \$2,205,100 during the current year. Other changes of expenses are in the following categories:

- Incurred wages and benefits in the amount of \$93,313 during the current year (2008: \$Nil) as a result of the severance payments made upon terminating exploration program on Mexico properties;
- Recognized \$61,447 loss from sale of securities during the year ended September 30, 2008 while no securities sales during the current year;
- Filing and transfer agent fees increased by \$10,885 and professional fees increased by \$19,943 due to more financing activities and the share consolidations in current year;
- Bank charges decreased by \$12,245 during the current year compared to the year ended September 30, 2008.

During the year ended September 30, 2009, the Company incurred management fees of \$62,000 (2008 – \$56,500) and professional fees of \$105,901 (2008 - \$85,958).

The Company also recognized \$110,858 unrealized gain on available-for-sale assets during the year ended September 30, 2009 while \$461,909 unrealized loss was recognized during the comparative year ended September 30, 2008. Those unrealized gain and loss are classified as other comprehensive income and loss and are not included in the net loss.

Investor Relations Activities

During the year ended September 30, 2009, the Company issued press releases, responded to investor inquiries and conducted shareholder mailouts. Shareholder inquiries were handled either by directors of the Company or spokespersons specifically assigned to respond to any shareholder or investor calls. The Company has no formal investor relations agreement in place.

Financings, Principal Purposes & Milestones

On March 4, 2008, the Company completed a non-brokered private placement of 400,000 units of the Company at a price of \$2.30 per unit for gross proceeds of \$920,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one additional common share of the Company for a period of one year from the closing date of the private placement at an exercise price of \$3.50. The Company applied the residual approach and allocated all proceeds to common shares and none to warrants. Finders' fees were paid in the amount of \$74,015.

On October 8, 2008, the Company closed a non-brokered private placement of 1,497,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$748,500. Each unit is comprised of one common share of the Company and one transferrable common share purchase warrant. Each warrant is exercisable into one additional common share of the Company for a period of two years from the closing date of the private placement at an exercise price of \$1.00. The Company applied the residual approach and allocated all proceeds to common shares and none to warrants. Finders' fees were paid in the amount of \$27,000.

On August 26, 2009, the Company closed a non-brokered private placement of 8,000,000 shares of the Company at a price of \$0.1125 per share for gross proceeds of \$900,000. No finder's fees were paid in respect of this private placement.

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 <u>30-Sept-</u> <u>09</u>	Q3 <u>30-June-</u> <u>09</u>	Q2 <u>31-Mar-</u> <u>09</u>	Q1 <u>31-Dec-</u> <u>08</u>	Q4 <u>30-Sept-</u> <u>08</u>	Q3 <u>30-June-</u> <u>08</u>	Q2 <u>31-Mar-</u> <u>08</u>	Q1 <u>31-Dec-</u> <u>07</u>
Net Loss:	\$169,469	\$2,217,278	\$70,368	\$243,597	\$68,991	\$95,411	\$98,463	\$186,935
Per share	\$0.05	\$0.60	\$0.02	\$0.06	\$0.05	\$0.07	\$0.08	\$0.15
Per share – diluted	\$0.05	\$0.60	\$0.02	\$0.06	\$0.05	\$0.07	\$0.08	\$0.15

Discussion

For the year ended September 30, 2009, please refer to Section 1.4 Results of Operations.

1.6 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings. At September 30, 2009, the Company's working capital was \$144,709, compared to a working capital deficit of \$872,173 as at September 30, 2008.

The Company will require additional financing to fund any new acquisitions, exploration programs as well as its holding costs on all of its properties. The ability of the Company to successfully fund the mineral properties and to acquire additional projects is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding warrants, or arranging other forms of equity financing. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company.

1.7 Capital Resources

The capital resources of the Company are the capital assets valued at \$18,078, and the mineral properties, with a historical cost of \$1,352,451. The Company is committed to further expenditures on the mineral properties, as detailed in Section 1.4 Results of Operations.

1.8 Off Balance Sheet Arrangements

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

1.9 Transactions with Related Parties

During the years ended September 30, 2009 and 2008, the Company was charged the following amounts by companies owned by directors:

	<u>2009</u>	<u>2008</u>
Management fees	\$ 62,000	\$ 56,500
Consulting fees – financial	22,500	30,000
– investors’ relations	27,000	31,250
Equipment rental	17,438	15,443
Professional fees	12,250	11,500
Rent	<u>5,000</u>	<u>-</u>
	<u>\$ 146,188</u>	<u>\$ 144,693</u>

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

At September 30, 2009, accounts payable and accrued liabilities included \$Nil (2008: \$10,547) due to companies with common directors for expenses paid on behalf of the Company.

At September 30, 2009, the Company had an advance payable of \$Nil (2008: \$765,000) to companies controlled by directors. The advance payable is unsecured, non-interest bearing payable on demand and repaid in 2009.

1.10 Fourth Quarter

The fourth quarter results do not differ significantly from other quarters.

During the year ended September 30, 2009, mineral properties in the amount of \$2,205,100 have been written off.

\$110,858 unrealized gain on available-for-sale assets was recognized as other comprehensive income, but not included in the net loss, in the current year as a result of increased value in the securities held during the year.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

1.13 Changes in Accounting Policies

None.

1.14 Financial and Other Instruments

The recoverability of the amounts capitalized for the mineral properties under exploration is dependent upon the determination of economically recoverable ore reserves, the ability to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

1.15 Other

Disclosure of Outstanding Share Capital (September 30, 2009 and January 28, 2010)

	Number	Book Value
Common Shares	10,952,887	\$15,310,468

Summary of warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
1,497,000	\$1.00	October 8, 2010

Summary of stock options outstanding:

Number of Shares	Exercise Price	Expiry Date
46,000	\$2.55	November 5, 2011

Share Consolidation:

At the annual and special general meeting of shareholders held on June 15, 2009, the shareholders of the Company approved the consolidation of the Company's common shares on a one new for ten old (1:10) basis. The Company effected the share consolidation at the opening July 16, 2009.

Additional Disclosure

The Company is a venture issuer that has not had any revenue from operations in either of its last two financial years. The Company has capitalized all expenditures relating to the exploration of its mineral property until such time as the properties are placed into production, abandoned, sold, or considered to be impaired in value. Details of deferred expenditures for the properties for the year ended September 30, 2009 are as follows:

MASUPARIA GOLD CORPORATION
SCHEDULE OF CONSOLIDATED RESOURCE PROPERTY COSTS
for the year ended September 30, 2009

	<u>Greywacke</u>	<u>Tenoriba</u>	<u>Sucara</u>	<u>Total</u>
Balance, September 30, 2008	<u>\$ 1,347,268</u>	<u>\$ 2,272,226</u>	<u>\$ 82,272</u>	<u>\$ 3,701,766</u>
Deferred exploration expenditures				
Assays (recovery)	(4,292)	44,733	-	40,441
Consulting fees	9,000	9,423	-	18,423
Drilling (recovery)	(97)	(14,150)	-	(14,247)
Equipment rental and repairs (recovery)	(648)	9,293	-	8,645
Field work and field supplies	775	13,596	-	14,371
Mapping and reports	-	9,364	-	9,364
Mining concession tax	-	5,694	320	6,014
Permits	433	-	-	433
Staking and maintenance	12	-	-	12
Office overhead	-	3,454	-	3,454
Value added taxes (recovery)	-	(247,337)	-	(247,337)
Wages and casual labour	-	16,212	-	16,212
	<u>5,183</u>	<u>(149,718)</u>	<u>320</u>	<u>(144,215)</u>
Write-off of mineral properties	<u>-</u>	<u>(2,122,508)</u>	<u>(82,592)</u>	<u>(2,205,100)</u>
Balance, September 30, 2009	<u>\$ 1,352,451</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,352,451</u>

Additional information

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