PUGET VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTERS ENDED JANUARY 31, 2012 and 2011

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains “forward-looking statements” within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this Management's Discussion and Analysis.

In certain cases, forward-looking statements can be identified by the use of words such as “believe”, “intend”, “may”, “will”, “should”, “plans”, “anticipates”, “believes”, “potential”, “intends”, “expects” and other similar expressions. Forward-looking statements reflect our current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements, particularly as they relate to the completion of the Pafra Acquisition (as defined in this Management's Discussion and Analysis), the actual results of exploration activities, the estimation or realization of mineral reserves and resources, capital expenditures, costs and timing of the development of new mineral deposits, requirements for additional capital, future prices of precious and base metals, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, road blocks and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation and the timing or magnitude of such events are inherently risky and uncertain.

Key assumptions upon which the Company’s forward-looking statements are based include the following:

- the Company’s ability to complete the Pafra Acquisition;
- the Company’s ability to successfully integrate, explore, develop and operate the Karakul Property (as defined in this Management's Discussion and Analysis);
- the prices for cobalt will not fall significantly;
- the assumptions in the financial analysis in the Karakul Report (as defined in this Management's Discussion and Analysis) are correct;
- the Company will be able to secure new financing to continue its exploration, development and operational activities;
- there being no significant adverse changes in currency exchange rates;
- there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements;
- the Company is able to obtain regulatory approvals (including licenses and permits) in a timely manner;
- the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in the surrounding area to the Company’s operations;

- the Company’s ability to achieve its growth strategy;
- the Company’s operating costs will not increase significantly; and
- key personnel will continue their employment with the Company and the Company will have access to all equipment necessary to further the Karakul Property.

These assumptions should be considered carefully by investors. Investors are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company’s forward-looking statements are based.

Investors are advised to carefully review and consider the risk factors identified in this Management's Discussion and Analysis under the heading “Risk Factors” for a discussion of the factors that could cause the Company’s actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Investors are further cautioned that the foregoing list of assumptions is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company’s business, financial condition and prospects that is included in this Management's Discussion and Analysis and other documents available under the Company's profile on SEDAR at www.sedar.com. The forward-looking statements contained in this Management's Discussion and Analysis are made as of the date hereof and, accordingly, are subject to change after such date.

Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this Management's Discussion and Analysis are expressly qualified by this cautionary statement.

1.1 Date

The following management's discussion and analysis ("MD&A"), which is dated as of April 2, 2012, provides a review of the activities, results of operations and financial condition of Puget Ventures Inc. (the "Puget" or "Company") as at and for the three months ended January 31, 2012, as well as future prospects of the Company. This MD&A should be read in conjunction with the unaudited interim condensed financial statements of the Company as at and for the nine and three months January 31, 2012 (the "Interim Financial Statements"), together with the MD&A and audited financial statements of the Company as at and for the year ended April 30, 2011. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's financial statements are prepared in Canadian dollars). Additional information relating to the Company, including the Company's annual information form, is available on SEDAR at www.sedar.com.

1.2 Overall Performance

1.2.1 General

The Company was incorporated on March 9, 2007 pursuant to the *Business Corporations Act* (British Columbia) under the name "Puget Ventures Inc." and extra-provincially registered in the Province of Ontario on May 25, 2009 under the *Business Corporations Act* (Ontario).

The Company is a reporting issuer under the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) and thereunder is required to make filings on a continuous basis. All disclosure filings as required under applicable securities laws are available for review under the Company's SEDAR profile at www.sedar.com.

Its Common Shares began trading on the TSX Venture Exchange ("TSX-V") as a capital pool corporation on October 31, 2007 and completed its qualifying transaction on May 15, 2008. The Common Shares now trade on the TSXV under the symbol "PVS" as a Tier 2 listed company in the category of mining issuers.

The Company has no subsidiaries. Its head office is located at Suite 1510-1050 West Pender Street, Vancouver, British Columbia, V6E 3T4, and its registered and records office is located at 700 - 401 West Georgia Street, Vancouver, British Columbia V6B 5A1.

On July 21st, 2011, the Company's shareholders approved, among other things and in conjunction with its approval of the proposed Pafra Acquisition (discussed below), the Company's proposed name change to "Global Cobalt Corporation." It is anticipated that the Company will effect this name change immediately prior to the completion of the Pafra Acquisition.

1.2.2 Description of business

The Company is a junior mining company focused on the acquisition, exploration and development of strategic base metals properties. To date, the Company has concentrated its operations on its Werner Lake Mineral Belt properties located in the Province of Ontario.

The Company's strategy has been to acquire advanced stage strategic metal properties that are either past producers, have been the subject of prior work programs, and/or contain historic resources. Its past acquisitions have all been within the Werner Lake Mineral Belt, located in the Kenora Mining District in northwestern Ontario. In particular, primary focus is placed on the Werner Lake Property, an advanced primary cobalt property.

Management believes that cobalt is an element essential to modern life. From drill bits to prosthetics, from solar panels to turbine blades, from cellular phones to hybrid vehicles, this element has a wide variety of applications. To date, Puget's property portfolio has specifically emphasized mineral interests showing cobalt characteristics.

1.2.3 Proposed Transaction

Pursuant to an agreement dated December 6, 2010 and amended June 29, 2011 (the "Pafra Purchase Agreement") among the Company, Imperial Mining Holding Limited ("IMHL") and its wholly-owned subsidiary, Pafra Enterprises Company Limited ("Pafra"), the Company has agreed to acquire from IMHL all of the issued and outstanding securities in the capital of Pafra (the "Pafra Acquisition").

IMHL is a private Isle of Man company at arm's length to the Company. Pafra is a private Cyprus company, also at arm's length to the Company. Through its subsidiaries, Pafra holds mineral interests located in the Republic of Altai, Russia and in Mongolia. The principal activities of Pafra are the exploration and development of cobalt, copper, wolfram, gold and silver deposits in those regions. Each of IMHL, Pafra and its subsidiaries are at arm's length to Puget.

The principal property of Pafra is the Karakul Property, located in the Republic of Altai. A NI 43-101 compliant technical report (the "Karakul Report")" has been prepared for the Company by SRK Consulting (Canada) Inc. A copy of the Karakul Report is available under the Company's profile on SEDAR, online at www.sedar.com.

Pursuant to the Pafra Purchase Agreement, the Company will provide the following consideration to IMHL or its nominees:

- 40,000,000 Common Shares; and

- 80,000,000 transferable special share purchase warrants (the "Special Warrants"), exercisable at any time prior to that date that is six years from the completion of the Pafra Acquisition, if a mineral resource estimate or a NI 43-101 technical report is prepared that establishes the aggregate mineral resource estimate (inclusive of mineral reserves and including measured, indicated and inferred mineral resources) within any deposit on the Karakul Property meets certain prescribed minimum threshold tonnages of cobalt metal.

Concurrent with the completion of the Pafra Acquisition, the Company will change its name to "Global Cobalt Corporation" (the "Name Change") and will consolidate its outstanding Common Shares on a basis of 0.899066 "new" Common Shares for every one (1) "old" Common Share outstanding (the "Share Consolidation"). The Company's shareholders approved the Name Change and the Share Consolidation on July 21st, 2011.

Completion of the Pafra Acquisition is conditional upon certain conditions precedent contained in the Pafra Purchase Agreement being satisfied or waived, including but not limited to the following:

- the Company having received the approval of its shareholders with respect to the Pafra Acquisition and with respect to the Share Consolidation and the Name Change, which approval was received on July 21st, 2011;

- the management and board of directors of the Company being reconstituted as described in the Company's information circular dated June 29, 2011, which reconstitution has been approved by the Company's shareholders on July 21st, 2011;

- the Company having completed an equity offering for proceeds of at least $15 million. As at the date of this Management's Discussion and Analysis, the Company has filed a preliminary short form prospectus for an offering (the "Offering"), through its agent syndicate co-Led by Euro Pacific Canada and Octagon Capital Corporation, and including D&D Securities Inc., of 15,239,000 subscription receipts at a price of $1.05 per subscription receipt for total gross proceeds of $16,000,950; and

- the Company having received conditional approval for the listing of the Common Shares on the TSX, subject to the completion of the Pafra Acquisition, which conditional approval has been received. The listing will be subject to the Company fulfilling all of the listing requirements of the TSX, including the completion of the Pafra Acquisition and the Offering, and prescribed distribution and financial requirements. Upon receiving final approval from the TSX, it is anticipated that the Company's common shares will cease to trade on the TSX Venture Exchange, and will commence trading on the TSX under the trading symbol GCO.

Unless all of such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Pafra Acquisition will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

Further information regarding the Pafra Acquisition, the Karakul Property and other related matters can be found in the Company's information circular dated June 29, 2011 (the "Information Circular"). Further information regarding the Offering can be found in the Company's preliminary short form prosectus dated July 21, 2011 (the "Preliminary Prospectus"). The Information Circular and the Preliminary Prospectus are each available under the Company's profile on SEDAR, online at www.sedar.com.

Following completion of the Pafra Acquisition and the Offering, it is anticipated that the Karakul Property, located in the Republic of Altai, in the Russian Federation, will become the flagship asset of the Company. A large amount of exploration and pre-development work has been conducted and demonstrates an extensive mineralized zone with numerous identified occurrences of potentially valuable minerals. Along with cobalt, other mineralization includes copper, gold, bismuth, tungsten, and molybdenum. The current size and scale of the deposit, as well as its potential, which is open at depth and along strike, make it one of the largest known potential sources of primary cobalt outside of Africa. Historic underground development work totalling approximately 3000m was completed to study further the Western Zone of the Karakul Property. IMHL drilled 30 confirmation holes during 2008/2009 and began to test the depth extension of the deposit. Further drilling is planned for 2011/2012 along with advanced metallurgical test work and pre-development planning. The Karakul Property is a hydrothermal polymetallic sulphide deposit that is attractive mainly for its cobalt content. Upon completion of the Pafra Acquisition and the Offering, the near-term focus of the Company will be to review, compile and interpret existing Russian data, and plan a significant surface and underground core drilling to verify historical results and delineate the extent of mineralization in order to prepare an initial Mineral Resource Statement and early production to meet Russian Mineral Licensing requirements.

The Company's existing Werner Lake Belt properties will continue to be held and developed subsequent to the completion of the Pafra Acquisition.

Financing

On July 22, 2011, the Company filed its Preliminary Prospectus with the securities regulatory authorities in British Columbia, Alberta, Manitoba and Ontario with respect to a marketed offering of subscription receipts.

The offering will be for 15,239,000 subscription receipts at a price of $1.05 per subscription receipt for total gross proceeds of $16,000,950. Puget has engaged Mackie Research Capital Corporation to act as agent in the financing.

On December 5, 2011, the Company engaged a syndicate co-Led by Euro Pacific Canada ("Euro Pacific") and Octagon Capital Corporation ("Octagon") and including D&D Securities Inc. ("D&D") to raise a minimum of $5,750,000 and a maximum of $16,000,950 by way of a marketed short form prospectus offering of subscription receipts.

The Company will no longer be proceeding to market the previously announced financing with Mackie Research Capital.

The financing is undertaken in conjunction with the previously announced "Pafra Acquisition" transaction, pursuant to which the Company will acquire beneficial ownership of mining interests located in the Altai Republic of Russia, including the Karakul cobalt project. Proceeds from this financing will be used for accelerating the confirmation and development program on the Karakul cobalt project and neighbouring assets in the Altai Republic of Russia, as well as for general working capital purposes. The offering is subject to the approval of the TSX-V, and the completion of the Pafra Acquisition.

The offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the acceptance of the TSX and the TSX Venture Exchange.

1.2.4 Property Activities

Completion of NI 43-101 Technical Report - Werner Lake Property

In a release dated December 10, 2009, the Company announced that PG&E Mining Consultants was tenured to produce updated resource estimates for the Werner Lake property. Since that time, PG&E Mining Consultants changed its name to "AGP Mining Consultants". The Company had requested that AGP Mining Consultants ("AGP") temporarily halt all work in order to preserve the capital necessary to complete the Company's proposed acquisition of Pafra, previously described in a news release dated June 29, 2011. As such, the Company has had no results to disclose. Also, as further clarification to the previous release, the Company still intends on having AGP finalize the resource estimate in the future and that the cessation of the work being conducted is temporary.

A revised NI 43-101 compliant technical report dated March 22, 2011 and updated June 23, 2011 (the "Werner Lake Report") regarding the Company's Werner Lake Mineral Belt properties was prepared by Gerald Harper, Ph.D., P.Geo (ON), and is available under the Company's profile on SEDAR. The revised technical report includes a recommended two phase work program, which is contingent on the successful completion of AGP's resource estimate. At this time, the Company intends to commence Phase 1 of the recommended work program upon completion of the AGP resource estimate, described above. The Company will provide further updates upon completion of the AGP resource estimate.

1.2.5 Property Holdings

Werner Lake Greenstone Belt Properties

Overview

On June 2, 2009 the Company completed the acquisition of an undivided 100% interest in the Werner Lake Greenstone Belt Properties in the Kenora Mining Division of the Province of Ontario and is now the largest landholder in this highly prospective region with significant historic copper, cobalt, nickel and platinum group elements resources and production.

At this time, it is anticipated that the Werner Lake Mineral Belt mineral properties will be the Company's primary Canadian-based asset and will provide the nearest term primary cobalt in Canada. The land package stretches 60km along highly mineralized strike and consists of approximately 1,700 hectares located in the Kenora Mining District in Northwestern Ontario. The Werner Lake Mineral Belt covers two past producers and at least five historic deposits including three extremely rare primary cobalt deposits and two significant nickel-copper-PGE deposits. Subsequent to the completion of the Pafra Acqusition, it is expected that the Company will further advance the Werner Lake Cobalt Deposit and provide a NI 43-101 compliant resource estimate with near-term production decision.

History

The earliest recorded claim staking in the Werner Lake area appears to have been about 1921 when the discovery of what was to become the Werner Lake mine was made. This property eventually came under the control of Falconbridge predecessor, Ventures Limited and achieved some production of cobalt ore between 1932 and 1944. Subsequently Falconbridge undertook more exploration including diamond drilling in 1957. They optioned their claims to Canmine in 1995, who earned a 100% interest in them.

Not until 1942 were the first claims staked over the Gordon Lake deposit. This property was worked on by several companies including Noranda (1942-1945) and INCO (1945-1952). Consolidated Canadian Faraday Ltd eventually took control of a large consolidated block; which company in turn came under the control of Conwest Exploration Limited. Canmine bought a large number of claims from Conwest in 1995.

Just prior to the bankruptcy of Canmine they optioned part of their property to Atikwa Minerals Limited who also optioned the Norpax property and undertook an exploration program focused on the area around the Norpax property. The work included surface sampling and diamond drilling.

The historic work falls into three phases. The early production and resource delineation period, the Canmine work period and the Atikwa work period.

In the mid nineteen nineties Canmine Resources Corporation assembled a mineral claims and land package which included most of the past producing areas in the camp and also residual resources referenced in old reports as not having been mined. Geophysical surveys followed by diamond drilling were successful at expanding known mineral zones and finding new ones in the vicinity of prior workings. Werner Lake is characterized by small but more numerous lenses of mineralisation with clearly evident structural control and multiple metals having grades at levels where each could be considered as the primary economic component of the mineralized rock.

Canmine initially pursued exploration with drilling and resource expansion leading to engineering, metallurgical and environmental studies to scope out a pre-feasibility level assessment of the property. The company also developed an interest in cobalt as the primary commodity and envisaged production being utilized to provide feedstock for a cobalt refinery they were establishing at Cobalt, Ontario. Inability to equity finance the projects led to the company seeking protection under the *Companies Creditors Arrangement Act*. Commerce Capital Inc. then acquired title to the mineral rights and associated surface rights of the property and through a plan of arrangement with 2042708 Ontario Ltd. Puget made arrangements to acquire the properties from Commerce.

The current property was assembled in the late 2000's, to include much of the Canmine land package, (via Commerce Capital Inc. following Canmine entering into receivership), the West adjacent Norpax property, several mining claims, plus more recently, property obtained from Benton Resources.

Mineralization & Geology

The Werner Lake Geologic Belt is part of the Archean English River Subprovince of the Superior Geological Province in Ontario. The area is underlain by metasedimentary migmatites intruded by syn- to late-tectonic felsic intrusive rocks. The migmatites are predominantly quartz-feldspar-biotite gneiss and lesser ultramafic and mafic igneous rocks and mafic amphibolite gneiss (Beakhouse, G.P., 1997). The belt is defined by a deep-seated fault that is believed to have ruptured the Superior Province. The fault zone is up to 500 metres wide and dips near verticaly. The entire area of the fault has been termed the "Cu-Ni-PGE zone" by J.R. Parker of the Ontario Geological Survey.

At Werner Lake, the fault zone is marked at surface by a prominent 25 to 50 metre wide U-shaped valley. To the west it disappears under Reynar Lake, and at the Manitoba border, it is covered by overburden and Oiseau (Bird) Lake. The Bird River ultramafic sill in Manitoba, up to 500 metres wide, follows the strike continuity of the deep-seated fault. The fault zone to the east furcates into a number of smaller, discontinuous faults in the vicinity of the eastern end of Rex Lake. Parker has interpreted the erosional level of the belt to vary from one end to the other, preserving the top of the system in the west in the Oiseau (Bird) River area of Manitoba and being near the bottom of the system of the fault zone in the east in the Rex Lake area, east of Werner Lake. High grade, amphibolite to granulite facies, metamorphism affects the Ontario portion of the Werner Lake belt.

There are five mineralized zones with historic mineral resources on the property: these are the Norpax deposit, West Cobalt deposit, the Werner Lake Minesite Cobalt deposit, the Eastern Shallows Cobalt deposit, and the Big Zone deposit. The Norpax deposit is located approximately seven kilometres east of the Manitoba border and lies under a lake paralleling and some 70-150m north of the road. The lake has variously been named Tigar and Almo. In addition to the main deposit other drilled smaller zones are reported up to 500m east and 1000m west. The western trend of mineralisation merges with that of the Big Zone. The Norpax zone is entirely under the lake immediately west of a prominent cross fault reflected by the arms of the lake.

The breakdown of each category is as follows:

- Proven reserves - 140,031 tonnes of 0.47% cobalt, 0.26% copper and 0.008 oz/t gold.
- Probable reserves - 40,829 tonnes of 0.25% cobalt, 0.43% copper and 0.030 oz/t gold.
- Indicated resources - 51,456 tonnes of 0.13% cobalt, 0.20% copper and 0.003 oz/t gold.
- Inferred resources - 869,378 tonnes of 0.29% cobalt, 0.28% copper and 0.011 oz/t gold.

The Eastern Shallows deposit contains total indicated resources of 63,517 tonnes with 0.29% cobalt and 0.63% copper.

The Big Zone deposit contains total indicated resources of 172,396 tons with 0.26% copper, 0.62%nickel, 0.02% cobalt, 0.009 oz/t platinum and 0.030 oz/t palladium.

Exploration & Development

From December 2009 to May 2010, Puget utilised the same diamond-drilling contractor and completed a 33 diamond-drill hole programme targeting the Werner Lake and West Werner Lake cobalt-nickel-copper deposits. Totaling 7,565.3 metres of coring, the primary goal of the programme was to increase known mineralisation obtained from previous drilling and aid in the estimation of a resource for the Werner Lake and West Werner Lake cobalt-nickel-copper deposits.

The drilling returned significant base metal intercepts hosted within a folded, moderately strained to highly sheared, mafic-ultramafic volcanic-intrusive assemblage. Where best preserved the ultramafic is a two pyroxene, amphibole, plagioclase, lherzolitic peridotite. Locally pyroxenite, amphibolite and gabbro were also recognised that also host appreciable sulphides. Highest sulphide concentrations are >5% with varying proportions of pyrite, chalcopyrite, cobaltian pyrite, cobaltite and pentlandite. Semi-massive sulphides, which historically returned high cobalt values, were rarely intercepted except over 10-20 cm widths. It is apparent that mineralised widths for cobalt-rich material are relatively narrow, in the order of 1-3 metres.

The results of this drilling combined with the previous drilling and underground information will allow an updated resource estimate and thereafter consideration of a preliminary economic analysis of potential for commercial production. Puget has retained AGP to prepare a resource estimate but completion of that estimate is not expected for some months, as Puget has requested AGP to temporarily halt all work in order to preserve the capital necessary to complete the Pafra Acquisition.

Outlook

Werner Lake is an advanced exploration and development project with a near term production focus. It is anticipated that continued drilling results from the Company's ongoing operations will be used along with historical data to produce a NI 43-101 Resource Estimate.

A recommended work program is included in the Werner Lake Report, which is contingent on AGP completing the resource estimate previously announced by the Company in December 2009. The Company has requested that AGP temporarily halt their work in completing the resource estimate until the Pafra Acquisition has been completed, in order to preserve capital.

The recommended work program includes the following:

Phase 1:	Completion of AGP resource estimate	$70,000
	Norpax diamond drilling (2,000 m at all up cost of $200/metre)	$400,000
	Subtotal	$470,000
Phase 2:	Werner Lake scoping study	$1,500,000
	Norpax resource estimate	$75,000
	Subtotal	$1,575,000
	Grand Total	$2,045,000

A copy of the Werner Lake Report is available online under the Company's profile on SEDAR, at www.sedar.com.

Norpax Nickel Deposit

Overview

The Norpax Deposit is located approximately 7 km east of the Ontario-Manitoba border and lies under a lake that has variously been named Tigar and Almo. In addition to the main deposit other drilled smaller zones are reported up to 500m east and 1000m west with the western trend of mineralisation merging with that of the Big Zone.

Exploration in the 1950s through 1970s discovered the Norpax Deposit which was explored by underground development as well as surface drilling. Norpax Nickel Mines Ltd. sank a 3 compartment shaft to 402 ft in 1958 after surface drilling. Norpax never reached production but in the course of underground development two levels were established at 250 ft and 375 ft depths and a deposit delineated aggregating 1 million tonnes grading 0.5% Copper and 1.2% Nickel (Historic non-compliant NI 43-101 resource). Atikwa held options on the Norpax claim and undertook a limited drilling program of five holes in 2003 and demonstrated that the copper nickel mineralisation of the deposit had significant platinum group metals content with combined values ranging up to nearly one gram per tonne.

In April of 2009, Puget Ventures entered into an agreement (“Norpax Agreement”) with Harper Capital Inc. to earn a 100% option to purchase the mineral interests in the Norpax Property. In order to acquire the option, the Company is required to make cash payments totalling $30,000 (paid) to the optionor and issue 50,000 common shares (issued on June 3, 2009 with a fair value of $19,500) of the Company. Additionally, the Company is required to make option payments of $90,000 and exploration expenditures of $1,000,000 on the Norpax Property as follows:

• $40,000 in cash and $50,000 in exploration expenditures on or before March 15, 2010 (paid and incurred);
• $50,000 in cash and $150,000 in exploration expenditures on or before March 15, 2011 (paid and incurred);
• $350,000 in exploration expenditures on or before March 15, 2013; and
• $450,000 in exploration expenditures on or before March 15, 2014.

On March 20, 2012, the Norpax Agreement was amended allowing the extension of timing of exploration expenditures. As recognition of this extension, the Company will issue 75,000 common shares in the capital of Global Cobalt Corp. and $150,000 in cash payment at the first closing of the Pafra Acquisition transaction and subsequent relisting of Puget Ventures as the newly named Global Cobalt Corp. on or before May 31, 2012.

The property is subject to a 2% net smelter return (“NSR”) royalty. At any time before the commencement of commercial production, the Company shall have the right to purchase one-half of the royalty on the payment of $1,500,000. The Company has been granted a right of first refusal to purchase the royalty.

During November 2009 Puget utilised a diamond-drilling contractor to complete a four-hole diamond-drilling program, aggregating 1,403 metres into the Norpax deposit. Core was logged, split and sampled by Puget personnel. The primary goal was to test for additional mineralisation and to quantify minor elements such as platinum group elements and gold associated with the copper and nickel. Grades for base metals (copper and nickel) were similar to those encountered in earlier worker's drilling into the Norpax deposit while values of minor elements including cobalt and the PGE suite, were negligible.

Work has continued since to better define and confirm historical data.

1.3 Selected Annual Financial Information

The following table presents selected financial information for the last three fiscal years ended April 30, 2011, 2010 and 2009. The annual results are presented in accordance with Canadian GAAP with the exception of the results for fiscal 2011 that have been adjusted to IFRS.

	2011 (IFRS) -$-	**2010 (CanGAAP)** -$-	**2009 (CanGAAP)** -$-
Revenue	-	-	-
Net loss	(1,782,696)	(1,988,817)	(286,273)
Basic and diluted loss per share	(0.05)	(0.10)	(0.03)
Total assets	4,508,825	4,636,846	1,467,867
Total long-term financial liabilities	-	-	-

1.4 Results of Operations

For the three months ended January 31, 2012 (“Third quarter of fiscal 2012”), the Company reported a net loss of $402,741 or $0.01 per share, compared to a net loss of $510,799 or $0.02 per share, reported for the three months ended January 31, 2011 (“Third quarter of fiscal 2011”). During the third quarter of fiscal 2012, significant changes in expenses occurred in the expense categories described below as compared to the third quarter of fiscal 2011:

Consulting fees

Consulting fees decreased to $40,572 during the third quarter of fiscal 2012 from $158,141 incurred during the third quarter of fiscal 2011 mainly related to higher advising fees with respect to the Company’s proposed transaction during the previous fiscal 2011.

Professional fees

Professional fees decreased to $14,478 during the third quarter of fiscal 2012 from $164,492 incurred during the third quarter of fiscal 2011 mainly related to higher legal-related fees with respect to the Company's proposed transaction during the previous fiscal 2011.

Travel

Travel expenses fees decreased to $14,020 during the third quarter of fiscal 2012 from $57,940 incurred during the third quarter of fiscal 2011 mainly related to deferring the travel expenses with respect to the Company's proposed transaction in the third quarter of fiscal 2012 and charging them to the deficit in the third quarter of fiscal 2011.

Wages

Wages increased to $74,765 during the third quarter of fiscal 2012 from $40,044 incurred during the third quarter of fiscal 2011 due to a higher number of employees in the current period compared to corresponding period in fiscal 2011.

Rent

Rent increased to $31,045 during the third quarter of fiscal 2012 from $5,335 incurred during the third quarter of fiscal 2011 due to the renting a larger office compared to corresponding period in fiscal 2011.

1.5 Summary of Quarterly Results

The following table sets out certain unaudited interim financial information of the Company for each of the last eight quarters, beginning with the second quarter of fiscal 2012. This financial information has been prepared in accordance International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB"). The fiscal 2010 figures in the table below have not and are not required to be restated in accordance with IFRS.

	Q3 2012 (IFRS) -$-	**Q2 2011 (IFRS)** -$-	**Q1 2012 (IFRS)** -$-	**Q4 2011 (IFRS)** -$-
Net revenues	-	-	-	-
Net income (loss)	(402,741)	(304,920)	(346,842)	(540,172)
Per share	(0.01)	(0.01)	(0.01)	(0.02)
	Q3 2011 (IFRS) -$-	**Q2 2011 (IFRS)** -$-	**Q1 2011 (IFRS)** -$-	**Q4 2010 (CanGAAP)** -$-
Net revenues	-	-	-	-
Net income (loss)	(510,799)	(482,163)	(249,562)	(1,155,410)
Per share	(0.02)	(0.02)	(0.01)	(0.06)

Quarterly results are highly variable for exploration companies depending on whether the company has abandoned any properties or granted any stock options. During the fourth quarter of fiscal 2010 the Company recorded a write-off of the mineral property interest of $1,096,104.

1.6 Liquidity

The Company is a mining exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Company has relied upon the sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to the Company when required, or on terms satisfactory to the Company.

At January 31, 2012, the Company had $1,174 in cash and cash equivalents compared to $490,829 at April 30, 2011.

During nine months ended January 31, 2012, the Company generated $1,166,175 in net cash flows from financing activities compared to $1,918,347 in corresponding period in fiscal 2011.

During nine months ended January 31, 2012, the Company expended $724,887 on investing activities compared with $1,009,602 in corresponding period in fiscal 2011.

1.7 Capital Resources

The Company's working capital deficiency at January 31, 2012 was $840,497 compared with working capital of $303,198 at April 30, 2011.

Pursuant to the flow-through renunciation filed with the Canada Revenue Agency for December 31, 2011, the Company is required to incur additional exploration expenditures of $152,000 before January 1, 2013.

The Company's capital resource requirements are dependent on the development stages of its respective properties.

The future planned payments for capital expenditures (exploration of mineral resources) at January 31, 2012 are approximately as follows:

	2012 -$-	**2013** -$-	**Total** -$-
Norpax Property	350,000	450,000	800,000
	350,000	450,000	800,000

At January 31, 2012, the Company's aggregate commitments for operating leases totalled $393,842. These operating leases include the Company's leased head office and office space occupied before with terms ranging from one to four years.

The future minimum payments under operating leases at January 31, 2012 are approximately as follows:

	2012 -$-	2013 -$-	2014 -$-	2015 -$-	Total -$-
Office lease	45,072	160,971	160,971	26,828	393,842
	45,072	160,971	160,971	26,828	393,842

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

During the nine months ended January 31, 2012, the Company entered into the following related party transactions:

(a) Fees in the amount of $108,000 (2011 - $42,819) to companies owned a director and an officer of the Company for consulting fees. Fees and reimbursements in the amount of $40,320 (April 30, 2011 - $15,277) are included in accounts payable and accrued liabilities.

(b) Fees in the amount of $26,100 (2011 - $19,140) to a company owned by a director and an officer for professional fees. Fees in the amount of $9,744 (April 30, 2011 - $3,248) are included in accounts payable and accrued liabilities.

(c) Fees in the amount of $30,000 (2011 - $Nil) to a director of the Company for consulting fees. Fees and reimbursements in the amount of $3,479 (April 30, 2011 - $Nil) are included in accounts payable and accrued liabilities.

The above transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

1.10 Fourth Quarter

Not applicable.

1.11 Proposed Transaction

The details of the proposed transaction are discussed in the section 1.2.3 on the page 6.

1.12 Critical Accounting Estimates

The Company’s significant accounting policies are contained in Note 2 to the unaudited interim financial statements for the three months ended July 31, 2011. The preparation of the interim financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Interim Financial Statements included the following:

Provisions and contingencies

The amount recognized as provision, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive income (loss) during the period the new information becomes available.

Impairment

Assets, including property, plant and equipment, exploration and evaluation, mines under construction and mineral properties, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the fair value often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, rehabilitation and restoration costs, future capital requirements and future operating performance. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Under IFRS, the Company is required to estimate the number of forfeitures likely to occur on grant date and reflect this in the share-based payment expense revising for actual experiences in subsequent periods.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

1.13 Changes in Accounting Policies including Initial Adoption of IFRS

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in the convergence of Canadian Generally Accepted Accounting Principles ("Canadian GAAP"), as used by public companies, with IFRS over a transitional period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. The adoption of IFRS will require the Company to prepare its comparative figures for the year ended April 30, 2011 in accordance with IFRS. The Company continues to monitor and assess the impact of Canadian GAAP and IFRS.

The Company has adopted IFRS for the year ending April 30, 2012. The condensed interim financial statements for the three months ended July 31, 2011 is the Company's first interim statements prepared in accordance with IFRS.

The Company's IFRS accounting policies are presented in Notes 2 of the condensed interim financial statements for the three months ended July 31, 2011. They have been applied in preparing the interim statements of fiscal 2012, the comparative information and the opening statement of financial position as at the date of the transition. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial positions, financial performance and cash flows of the Company are provided in Note 17 of the interim statements. This note also includes reconciliations of equity and comprehensive loss for comparative periods reported under Canadian GAAP to those reported for those periods under IFRS.

Future Accounting Pronouncements

A number of other new standards and issued amendments to standards and interpretations are not yet effective for the year ending April 30, 2012 and have not been applied when preparing the Company's interim statements. Management does not currently expect the implementation of these new standards and amendments will have a significant effect on the interim statements of the company.

1.14 Financial Instruments and Other Instruments

Financial assets included in the statement of financial position are as follows:

	January 31, 2012 -$-	April 30, 2011 -$-
Cash and cash equivalents	1,174	490,829
	1,174	490,829

Financial liabilities included in the statement of financial position are as follows:

	January 31, 2012 -$-	April 30, 2011 -$-
Non-derivative financial liabilities:		
Accounts payable	639,194	264,674
	639,194	264,674

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at January 31, 2012:

	Within one year -$-	Between one and five years -$-	More than five years -$-
Accounts payable	639,194	-	-
	639,194	-	-

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the reporting period.

The Company is not subject to any externally imposed capital requirements.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Data

At January 31, 2012 there were 36,037,455 outstanding common shares, 90,761 share purchase warrants outstanding and 1,419,439 outstanding stock options.

At April 02, 2012 there were 36,037,455 outstanding common shares, 90,761 share purchase warrants outstanding and 1,419,439 outstanding stock options.

Risks and uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Pafra Acquisition

Completion of the Pafra Acquisition is subject to numerous conditions, many of which are outside of Puget's control. There is no guarantee that the Pafra Acquisition will be completed on the terms set out in the Pafra Purchase Agreement, as negotiated, or at all. In addition, there is no guarantee that Puget will be able to satisfy the requirements of the TSXV such that the TSXV will issue a Final Exchange Bulletin, or that Puget will be able to satisfy the requirements of the TSX such that the TSX will grant final approval for the listing of Puget's Common Shares for trading.

In the event that the Pafra Acquisition is completed, a significant portion of the Company's resources and attention will be devoted to the development of those mineral interests beneficially owned by Pafra. Though at this time the Company does not intend to forego its Werner Lake Belt Properties at this time, future events or decisions may cause the Company to divert its primary focus away from these mineral interests and their development.

Control by Significant Shareholder

Assuming completion of the Pafra Acquisition as proposed and as described in the Information Circular, IMHL will own approximately 44.37% of the Common Shares on an undiluted basis, or 70.48% assuming exercise of all the Special Warrants (but excluding exercise of the outstanding share purchase warrants, incentive stock options, the Warrant Shares issuable upon exercise of the Warrants, the Common Shares issuable upon exercise of the finder's fee warrants in connection with the Pafra Acquisition, or any securities issuable to the agent with respect to the Offering). As such, IMHL will exercise effective control over the affairs of the Company after completion of the Pafra Acquisition. As a consequence and subject to applicable law, IMHL may be able to effectively cause or prevent a change in control of the Company. In addition, pursuant to the Pafra Purchase Agreement, the directors and senior officers of IMHL will enter into a voting trust agreement for a term of 18 months commencing from the Acquisition Closing Date, pursuant to which each such person will agree to vote any and all Common Shares held by them within the framework of the strategic plan with respect to the Company and its operations to be produced by the Company's current management and IMHL within 30 days before the completion of the Pafra Acquisition. See "The Pafra Acquisition" in the Information Circular and the Preliminary Prospectus for further discussion.

Further, securities legislation provides for restrictions to resales by control persons, which restrictions will apply to IMHL. A large percentage of the Company's issued and outstanding Common Shares will be held by one shareholder, and may impact the size of the Company's public float, adversely affect establishment of an active public market for the Company's Common Shares and limit liquidity for its shareholders

Integration of Acquisitions

Any acquisition that the Company may choose to complete, including the Pafra Acquisition, may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities, including the Company's success in its activities related to the Pafra Acquisition, depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisition, including the Pafra Acquisition, would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete a transaction and established a purchase price or an exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance an acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for an acquisition, as in the Pafra Acquisition, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with acquisitions.

Foreign Operations

If the Pafra Acquisition is completed, the Company will have acquired beneficial ownership of mineral interests in the Altai Republic of Russia and Mongolia, and may thus be exposed to various degrees of political, economic and other risks and uncertainties. In particular, the Company's operations and investments if applicable, may be affected by the local and governing political and economic developments including and not limited to: expropriation, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitation on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws of Canada affecting foreign trade, investment and taxation.

Limited Operating History

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and are without a known deposit of commercial ore. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

Exploration and Development Risks

Resource 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 insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market and mineral price fluctuations, particular attributes of any deposits (including size and grade), the proximity and capacity of milling facilities, mineral markets and processing equipment, and other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not having an adequate return on investment.

The Werner Lake Properties are in the exploration stage only and is without proven bodies of commercial minerals. Development of any property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration activities and, if warranted, its development activities will result in any discoveries of commercial bodies any minerals. The long-term profitability of the Corporation's operations will, in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Mineral Titles

No assurances can be given that title defects to the Company's mineral interests do not exist. The Company's current mineral properties and other properties it may from time to time acquire an interest in, may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title and interest in and to the properties.

Loss of Interest in Properties

The Company may acquire properties which require the Company to make certain additional payments in order to maintain its interests. The Company's ability to acquire or maintain those interests will be dependent on its ability to raise additional funds by equity and/or debt financing.

Failure to obtain additional financing may result in the Company being unable to make the periodic payments required for the acquisition of its interests in certain properties and could result in delay or postponement of further exploration and the partial or total loss of the Company's interest in such properties.

Aboriginal Rights

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to aboriginal issues having been instituted with respect of the mineral claims in which the Company has an interest.

Permits and Government Regulations

The future operations of the Company will require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing exploration, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of its properties.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be temporarily withdrawn where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the acquired properties or non-compliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors, from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable standards. There is a risk that environmental laws and regulations may become more onerous, and thus raising the costs of operations.

Competition

The resource industry is intensely competitive in all of its phases. The Company competes with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could adversely affect the Company's ability to acquire suitable properties or prospects for exploration in the future.

Management

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

Conflicts of Interest

Various of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, and is affected by numerous factors beyond the Company's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately predicted.

Additional Funding Requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

Adoption of International Financial Reporting Standards

The Canadian Accounting Standards Board announced that January 1, 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The requirement for the Company to implement IFRS may materially affect the Company's financial results as reported in its financial statements. If the Company is unable to present its financial statements for the year ending April 30, 2012 by the applicable deadlines, it may be subject to penalties under applicable securities laws, including but not limited to a cease trade order or similar order. Management anticipates completing its reporting conversion to IFRS on a timely basis.

Further Information

Additional information about the Company is available at the Company's website www.pugetventures.com.