

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended September 30, 2010

The following is a discussion and analysis of the operations, results, and financial position of Kingsman Resources Inc. (the “Company”) for the nine months ended September 30, 2010, and should be read in conjunction with the unaudited financial statements for the nine months ended September 30, 2010 and the audited financial statements and related MD&A of the Company for the year ended December 31, 2009. The unaudited financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles.

The effective date of this report is November 19, 2010.

FORWARD LOOKING STATEMENTS

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. All such statements, other than statements of historical facts, that address estimated resource quantities, grades, locations, geometry and contained metals, possible future mining, exploration and development activities, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward- looking statements.

Readers are cautioned not to put undue reliance on forward looking statements.

The Company is subject to the specific risks inherent in the mineral exploration business as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on their website at www.kingsmanresources.com as well as at www.sedar.com.

DESCRIPTION OF BUSINESS

Kingsman Resources Inc. (the Company) is a development stage company engaged in the business of acquiring, exploring and, if warranted, developing mineral resource properties and placing such properties into production. The Corporation holds interests in three mineral properties in British Columbia. None of the Corporation's properties contain a known ore body. The Corporation owns no producing properties and, consequently has no current operating income or cash flow. Operations are primarily funded by equity subscriptions. Currently the Company is concentrating its efforts on its three properties located in British Columbia. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol KSM.

RESOURCE PROPERTIES

International Basin Property

In 2007, the Company was granted an option to acquire a 100% interest in the International Basin Property located 35 kilometres south of Golden, British Columbia, in the Slocan and Golden Mining Divisions. Twenty-four mineral tenures have been acquired since commencement of the option agreement. One mineral tenure was forfeited during the year, leaving 23 tenures.

KINGSMAN RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended September 30, 2010

The Company has performed a full review of the gold, silver, copper, lead and zinc values in rock samples from its International Basin property located in the northern Purcell Mountains, at the headwaters of Bobbie Burns Creek, south of Golden, British Columbia, and presents a geologic model for ore controls on the property. This review expands on the results announced in the December 2, 2008 news release and can be found on the Company website at www.kingsmanresources.com.

The Property was worked from 1883-1900 when the silver price collapsed; numerous legal suits stopped it until 1920. It closed again in 1923 and was mostly forgotten until Kingsman picked it up in 2007. In minifile under author (Haggen) the 1927 file (56 pages) can be found. When we found the file we did not have the map for the first year unfortunately. The report stated gold to 3.5 oz and silver to 283 oz. Our task has been to try and duplicate their results to bring the property to the next level.

The system at International Basin is 7 km by 1 km and contains Au, gold, silver, copper, lead and zinc. Years 2007-2008 have generated approximately 1000 samples consisting of 500 rock 400 soils and 100 channel samples. The highest gold was 4.28 oz. The silver runs to 63 oz, copper 10+%, lead to 50% and Zinn to 60%. The galena runs silver and lead as well as gold uncommon to the area.

New overage assays for rock samples from the International Basin Property indicate significant concentrations of copper, lead and zinc to go along with the gold and silver results reported previously. Samples from the zone include samples up to 19.2% copper, up to 62% lead, and greater than 30% zinc. The Company has compiled sample data into a sophisticated Geographical Information System (GIS) in its continuing effort to establish a comprehensive database suitable for advanced planning and modeling.

The combination of size of the mineralizing system and locally very high metal concentrations suggest that significant mineral potential exists on the property. Earlier, the company reported results yielding 4.23 oz/t gold and 46grab samples exceeding 5 grams per tonne gold. Silver values ranged up to 63.9 oz/t.

The veins on the IB property occur within a large fold (west-verging anticline) of quartz grit. Mineralized veins occur within a variably altered zone up to 1 km wide and 7 km long. This large alteration footprint is defined by significant iron-carbonate and sericite.

Dr. Bob Thompson, formerly of the Geological Survey of Canada's Pacific Division, has interpreted a causal relationship between folding, focused fluid flow, vein development and emplacement of precious and base metals at the International Basin property. The model is further illustrated in a talk Dr. Thompson gave recently at the KEG conference in BC, and which also is available on Kingsman's website.

The Company's exploration plan for the International Basin property is:

- reclaim a 23 kilometer exploration trail to enhance access to the property; this will necessitate about 3-5 kilometers of newly created excavated trail over a packhorse trail.
- additional systematic sampling, including trenching, 3,000 - 5,000 meters of drilling and possible bulk sampling; and
- additional prospecting of outlying parts of the property.

These plans have been delayed by a prolonged permit application process. The Company has addressed the objections raised by third parties. At the time of writing, we are addressing the permitting stipulations. Unfortunately, the delays have pushed 2009 plans into 2011.

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended September 30, 2010

Luxor Moly Property

In 2007, the Company was granted an option to acquire a 100% interest in the Luxor Moly Property located 28 kilometres northeast of Barriere, British Columbia, in the Kamloops Mining Division. Thirty-one mineral tenures have been acquired since commencement of the option agreement. Fourteen mineral tenures were forfeited during the year leaving 17 tenures.

The Company, encouraged by the fact that mineralization of appreciable grade was intersected in three of the four holes drilled in 2007 and by the fact that the mineralization locally displays significant widths, ran an expanded exploration program in 2008 that included soil sampling and mapping, a 50 line-km grid, and an Induced Polarization and magnometer survey. Further encouragement has been provided by the positive results of a winter biogeochemical survey that was undertaken on the property. The biogeochemical work outlined several new anomalies and also returned anomalies in areas of known molybdenum mineralization.

This summer the Company built a one kilometer exploration trail and followed up with a 1,000 meter drilling program. Presently the core is being analyzed and processed for assaying with results expected in early December. Drilling is expected to provide additional evidence of the size and grade of the prospect.

Previous drill access construction at the Luxor project uncovered molybdenum bearing altered granitic rocks over approximately 200 metres in newly exposed rock cuts. Molybdenite occurs as fine disseminated grains within the intrusive rocks and importantly within quartz veins with pyrite. Coarse aggregates of molybdenite are seen both as selvages to and within quartz veins. Selected samples of quartz vein material returned up to 2.59% Mo. These molybdenum exposures occur within a cohesive soil geochemical anomaly measuring approximately 1.5 kilometer long by 2.5 kilometers wide.

During trail construction, some outcrop was exposed within the main soil geochemistry anomaly. Rocks here are altered granites with weak to moderate sericite accompanied by minor disseminated pyrite, some disseminated molybdenite and traces of chalcopyrite. Limonite, sericite and clay are developed along fractures and joints in the granite. Most importantly, northerly trending quartz veinlets containing coarse grained molybdenite and pyrite are also seen. The discovery of these quartz veins in addition to disseminated molybdenite in the altered granite validates the exploration premise of trail construction through the geochemistry anomaly and provides geologic guidance for the upcoming drill program.

Pathfinder Property

In 2007, the Company was granted an option to acquire a 100% interest in the Pathfinder Property located 20 kilometres north of Grand Forks, British Columbia, in the Boundary Mining Division. Fifteen mineral tenures have been acquired since commencement of the option agreement. Three mineral tenures were forfeited during the year leaving 12 tenures.

There are numerous old workings in the northern portion of the Pathfinder property. Three mineral zones known to occur on the mineral property are referred to as **Pathfinder**, **Diamond Hitch** and **Little Bertha**. The Pathfinder and Diamond Hitch zones located approximately 1 kilometre apart consist of massive gold-bearing sulphides (mainly pyrite and pyrrhotite with some chalcopyrite) hosted in altered volcanic and sedimentary rocks. The Little Bertha zone lies about 1 kilometre northwest of the Pathfinder zone and consists of a northerly trending, gold-bearing mesothermal quartz vein(s), 1-2 metres in width hosted by intrusive rocks.

KINGSMAN RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended September 30, 2010

In October, the Company completed a 985 metre, 17 hole diamond drill program. Drilling focused on two targets, Pathfinder and Diamond Hitch, with fifteen holes completed at Pathfinder and two holes completed at Diamond Hitch. At Pathfinder, the drilling targeted several areas of gold-copper skarn-type mineralization which had previously returned up to 4.49 grams/tonne gold across 9.5 metres in trenches (see News Release dated July 14, 2008).

The polymetallic nature (gold-copper-silver, locally significant molybdenum and tungsten) of the semi-massive to massive sulphide mineralization and the opportunity it affords to build significant tons at significant grades makes the Pathfinder target particularly attractive. Its potential is best exemplified by an intersection of 17 metres of 1.1 g/T gold (0.032 oz/T), 10.2 g/T silver, and 0.37% Copper in DDH PF08-13, as well as by supportive and significant intersections in many of the other holes (including the three closest holes to PF08-13). These intersections correlate well with mineralization exposed in the nearby trenches at the Pathfinder.

The favorable regional setting of the Pathfinder property, including zones of known mineralization with good gold grades as well as multiple unexplored and under-explored target areas combine to make the Pathfinder an attractive land package. Based on the encouraging results, the company is planning further work, which may include both ground and airborne geophysics, further trenching, and diamond drilling.

Note: For a more complete history of the work and commentary on the resource properties, readers are referred to the Company's website at www.kingsmanresources.com.

SELECTED ANNUAL INFORMATION

The following table provides a summary of the Company's financial operations for the last three fiscal years ended December 31. For more detailed information, refer to the Company's annual audited financial statements.

	Years ended December 31		
	2009	2008	2007
Revenues	0	0	0
G & A Expenses (including option benefits)	362,866	286,659	438,155
Net Loss (Gain)	362,866	286,659	838,516
Per share- basic and diluted	(.02)	(.01)	(.05)
Working Capital (Deficiency)	188,257	344,764	1,145,092
Total Assets	1,331,061	1,363,271	1,495,820
Deferred Resource Property Expenditures	141,860	784,112	639,491
Liabilities (L.T.)	0	0	0
Cash dividends	0	0	0

RESULTS OF OPERATIONS

The net loss for the nine months ended September 30, 2010 was \$196,736 compared to a loss of \$279,127 for the same period in the previous year. Costs were mostly in line with the previous year with the following exceptions: salaries and consulting fees of \$68,000 (2009 - \$101,754) were lower due to a smaller management group and travel expenses of \$6,965 (2009 - \$18,460) and investor communications expenses of 7,348 (2009 - \$42,840) were lower due to cash constraints.

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended September 30, 2010

SELECTED FINANCIAL INFORMATION

	2010			2009				2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	0	0	0	0	0	0	0	0
G&A Expenses	52,230	39,917	46,862	83,739	69,928	90,201	65,027	84,036
Option Benefits	57,727	0	0	0	0	53,971	0	0
Property Write-off	0	0	0	0	0	0	0	0
Income Tax Recovery	0	0	0	0	0	0	0	0
Net Loss(Gain)	109,957	39,917	46,862	83,739	69,928	144,172	65,027	84,036
-per share	.00	.00	.00	.01	.00	.01	.00	.00
-per share-diluted	.00	.00	.00	.01	.00	.01	.00	.00
Total Assets	1,366,535	1,310,926	1,311,281	1,331,061	1,147,953	1,193,997	1,280,460	1,363,271
Liabilities(L.T.)	0	0	0	0	0	0	0	0
Cash Dividends	0	0	0	0	0	0	0	0
Working Capital(Deficiency)	(20,736)	92,229	139,647	188,257	18,266	140,967	263,559	344,764
Resource Property Expenditures	76,935	7,501	1,748	52,016	52,773	20,892	16,177	351,714
Share Capital:								
-Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
-Outstanding	27,381,435	27,126,435	27,126,435	27,126,435	21,426,435	21,294,435	21,294,430	21,296,430
-Warrants	4,080,000	4,080,000	4,080,000	4,080,000	6,341,000	8,341,000	8,341,000	8,341,000
-Options	2,730,000	1,400,000	1,400,000	1,400,000	2,120,000	1,670,000	1,670,000	2,250,000

QUARTERLY RESULTS

The net loss for the three months ended September 30, 2010 was \$109,957 compared to a loss of \$69,928 for the same period last year. Costs were mostly in line with the previous year with the following exceptions: salaries and consulting fees of \$22,000 (2009 - \$37,018) were lower due to a smaller management group and stock based compensation of \$57,727 (2009 - \$nil) was higher as new options were granted

The net loss for the three months ended June 30, 2010 was \$39,917 compared to a loss of \$144,172 for the same period last year. Costs were mostly in line with the previous year and consistent with the results for the six months ending June 30, 2010. Salaries and consulting fees of \$22,000 (2009 - \$37,018) were lower, stock based compensation was \$nil (2009 - \$53,971) as no new options were granted, and investor communications expenses of 1,588 (2009 - \$26,054) were lower due to cash restraints.

The net loss for the three months ended March 31, 2010 was \$46,862 compared to a loss of \$65,027 for the same period in the previous year. Costs were mostly in line with the previous year with the following exceptions: accounting and legal expenses of \$9,000 were lower (2009 - \$12,650), and investor communications expenses of 2,014 (2009 - \$12,772) were lower due to cash constraints.

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended September 30, 2010

Table 1. General and Administrative Expenditures

	2010			2009				2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Regulatory	4,928	3,260	8,472	1,100	1,489	5,816	6,289	9,307
Investor Relations	3,746	1,588	2,014	6,326	4,015	26,054	12,772	7,522
Accounting/Legal	9,000	9,000	9,000	36,510	15,118	9,000	12,650	39,503
Salaries/consulting fees	22,000	22,000	24,000	32,019	37,018	37,018	27,717	20,750
Stock compensation	57,727	0	0	0	0	53,971	0	0
Office	7,608	2,546	2,883	5,109	4,283	4,678	4,666	9,134
Travel	4,948	1,523	493	2,735	10,125	6,821	1,513	5,863
Other	0	0	0	(60)	(2,120)	(930)	(580)	(8,043)
Total	109,957	39,917	46,862	83,739	69,928	144,172	65,027	84,036

CAPITAL RESOURCES AND LIQUIDITY

During the nine months ended September 30, 2010, cash flows were as follows: Financing activities generated \$92,200 (2009 - \$nil) from share subscriptions received. Investing activities consisted of cash outflows on mineral property acquisition costs of \$80,000 (2009 - \$nil), and mineral property exploration costs of \$86,184 (2009 - \$89,842). Cash outflows on Operating activities were \$76,096 (2009 - \$48,489).

Since inception, the Company has incurred cumulative losses of \$5,020,575 and has a working capital deficiency at September 30, 2010 of \$20,736 (December 31, 2009 - \$188,257 surplus).

The Company has financed its operations to date primarily through the issuance of common shares for private placements. The Company continues to seek capital through various means including the issuance of equity and/or debt.

As of September 30, 2010 the Company's authorized share capital consisted of an unlimited number of common shares without par value and the Company had 27,381,435 common shares issued and outstanding.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to have profitable operations in the future.

The Company's future capital requirements will depend on many factors, including costs of exploration and development of the properties, cash flow from operations, costs to complete well production if warranted, competition and global market conditions. The Company's growing working capital needs may require it to obtain additional capital to operate its business.

The Company will depend partly on outside capital to complete the exploration and development of its resource properties. Such outside capital will include the sale of additional common shares and debt financing. There can be no assurance that capital will be available as necessary to meet these continuing

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended September 30, 2010

exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue:

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Year Ended December 31, 2009	Year ended December 31, 2008
Capitalized or Expensed Exploration and Development Costs	\$141,860	\$784,112
General and Administration Expenses	\$362,866	\$286,659
Gain on sale of marketable securities	\$Nil	\$Nil

Disclosure of Outstanding Share Capital:

The following is a breakdown of the share capital of the Company, on an annual basis as well as at the most recently ended quarter and the date of this report:

	November 19, 2010	September 30, 2010	December 31, 2009
Shares	32,646,435	27,381,435	27,126,435
Options	2,730,000	2,730,000	1,400,000
Agent's warrants	100,000	180,000	180,000
Warrants	<u>8,995,000</u>	<u>3,900,000</u>	<u>3,900,000</u>
Fully Diluted	<u>44,471,435</u>	<u>34,191,435</u>	<u>32,606,435</u>

For additional details of outstanding share capital, refer to the financial statements for the quarter ended September 30, 2010.

CORPORATE ACTIVITIES

- The Board is structured as follows:
 - Robert McLaughlin - President
 - James G. Stewart - Audit Committee Member
 - Boyd Hardwicke - Audit Committee Member
 - Jeanette Hutchinson - Secretary and CFO
 - Edward (Ted) Drummond - Audit Committee Member
- The Company held the Annual General Meeting on June 30th, 2010 with all items on the agenda passed.

INVESTOR RELATIONS ACTIVITIES

- The Company's shareholder information is handled in house by directors of the Company.

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended September 30, 2010

CHANGES IN ACCOUNTING POLICIES

- There have been no changes in the accounting policies other than those already disclosed in Note #3 (p) of the consolidated financial statements.
- **International financial reporting standards (“IFRS”):** In 2006, AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. To meet the change over date, the Company is required to issue its first IFRS compliant Financial Statements for the year ending December 30, 2011. To provide comparative information, an opening Balance Sheet will be necessary on January 1, 2010. Management has addressed this issue by researching methods to identify the items materially impacted on the Company’s financial statements. The Company is also evaluating the impact of adopting IFRS. The analysis will be completed and a plan to implement the conversion will be devised before completion of Q4 of the 2010 fiscal year and management believes it has the necessary financial expertise and resources available.

FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

- The Company classifies its cash as held-for-trading.
- The Company classifies its reclamation deposits as loans and receivables.
- Accounts payable and accrued liabilities are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

CRITICAL ACCOUNTING ESTIMATES and OFF-BALANCE SHEET ARRANGEMENTS

- None.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at September 30, 2010, the CEO and the CFO have evaluated the effectiveness of the Company’s disclosure controls and procedures as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators and have concluded that such disclosure controls and procedures are effective.

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Nine Months Ended September 30, 2010

SUBSEQUENT EVENTS

- A three week diamond drill program on the Luxor began in mid-October. Assay results are pending.
- On November 4, 2010 the Company reported that it had closed a non-brokered private placement of 5,140,000 units at a price of \$0.08 per unit. Each unit consists of one (1) common share of the Company and one (1) share purchase warrant. Each warrant entitles the holder to purchase one (1) additional common share of the Company for a period of twenty-four (24) months at an exercise price of \$0.15. The warrants expire October 28, 2012. All securities issued pursuant to the placement are subject to restrictions on resale to March 1, 2011.

ADDITIONAL INFORMATION

Additional information about the Company can be found on www.sedar.com and www.kingsmanresources.com.