

KINGSMAN RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Three Months Ended March 31, 2011

The following is a discussion and analysis of the operations, results, and financial position of Kingsman Resources Inc. (the "Company") for the three months ended March 31, 2011, and should be read in conjunction with the unaudited financial statements for the three months ended March 31, 2011 which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting.

The effective date of this report is June 23, 2011.

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 an exploration stage company engaged in the business of acquiring, exploring and, if warranted, developing mineral resource properties and placing such properties into production. The Company holds interests in three mineral properties in British Columbia. None of the Company's properties contain a known ore body. The Company 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 ("IB Property") located 35 kilometres south of Golden, British Columbia, in the Slocan and Golden Mining Divisions.

The Company has performed a full review of the gold, silver, copper, lead and zinc values in rock samples from its IB 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

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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 IB 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 minfile 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 the IB Property 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 Zinc to 60%. The galena runs silver and lead as well as gold uncommon to the area.

New overage assays for rock samples from the IB 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 IB Property. The model is further illustrated in a talk Dr. Thompson gave in 2009 at the KEG conference in BC, and which also is available on Kingsman's website.

On May 18, 2011 the Company announced it has requested an amendment to their 2008 exploration permit from Cranbrook MEMPR, to helicopter diamond drill 1000 meters. The current planned drill program is designed to test the lateral and downdip continuity of some of the better mineralized veins and vein systems.

The Company's overall exploration plan for the IB 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. Meanwhile we will carry out a helicopter drill program to further test the property.

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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.

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 1,066 meter drilling program. 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 provided geologic guidance for the drill program.

Diamond drilling was successful in discovering narrow higher grade molybdenum mineralization in addition to broader zones of lower grade mineralization. Significant high grade mineralization includes 3 metres grading 0.115% Mo within a broader zone of 6 metres grading 787 ppm Mo (~0.078% Mo).

Kingsman Resources Inc. Luxor Project					
Mineralized Intervals: 2010 Drill Program					
Drill Hole Number	From (m)	To (m)	Width (m)	Mo ppm	Mo %
LX10-5	75.00	81.00	6.00	618	0.065
LX10-5	102.00	120.00	18.00	298.4	
<i>including</i>	105.00	108.00	3.00	647.10	0.068
LX10-6	24.00	27.00	3.00	516.3	0.055
LX10-6	30.00	33.00	3.00	462.7	
LX10-7	97.00	103.00	6.00	787.1	
<i>including</i>	100.00	103.00	3.00	1138.0	0.115

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LX10-8	45.00	54.00	9.00	167.8
LX10-11	65.00	70.00	5.00	252.4

This higher grade mineralization corresponds to a higher density of narrow, 0.5cm to 3cm, molybdenite-bearing quartz veinlets. In these veinlets, molybenite occurs within medial fractures and most notably as blebs on vein margins. The host rock to the veinlets is a sericitized granite. Locally, the veinlets have a weak potassium feldspar alteration envelope.

Much wider zones of lower grade material were also encountered, notably in Hole LX10-5, where 18 metres grading 298 ppm Mo were intercepted. Here, molybdenite occurs as sparse disseminated grains and rare rosettes within a weakly sericitized granite. Quartz veining is rare to absent in lower grade zones.

The drill program was successful in clearly establishing a correlation between molybdenum grade and quartz vein density. Kingsman Resources Inc. is currently reviewing all data on the Luxor Project with an emphasis on vectoring toward areas of higher vein density.

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.

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 pyrrotite 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.

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.

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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		
	2010	2009	2008
Revenues	0	0	0
G & A Expenses (including option benefits)	271,718	362,866	286,659
Net Loss (Income)	223,268	362,866	286,659
(Loss) Per share- basic and diluted	(0.01)	(0.02)	(0.01)
Working Capital (Deficiency)	74,203	188,257	344,764
Total Assets	1,603,497	1,331,061	1,363,271
Deferred Resource Property Expenditures	340,247	141,860	784,112
Liabilities (L.T.)	0	0	0
Cash dividends	0	0	0

RESULTS OF OPERATIONS

The net loss for the three months ended March 31, 2011 was \$47,615 compared to a loss of \$46,862 for the same period in the previous year. Costs were in line with the previous year.

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SELECTED FINANCIAL INFORMATION

	2011	2010				2009		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	0	0	0	0	0	0	0	0
G&A Expenses	47,615	74,982	52,230	39,917	46,862	83,739	69,928	90,201
Option Benefits	0	0	57,727	0	0	0	0	53,971
Property Write-off	0	0	0	0	0	0	0	0
Income Tax Recovery	0	(48,450)	0	0	0	0	0	0
Net Loss (Income)	47,615	26,532	109,957	39,917	46,862	83,739	69,928	144,172
-per share	.00	.00	.01	.00	.00	.01	.00	.01
-per share-diluted	.00	.00	.01	.00	.00	.01	.00	.01
Total Assets	1,585,186	1,603,497	1,366,535	1,310,926	1,311,281	1,331,061	1,147,953	1,193,997
Liabilities (L.T.)	0	0	0	0	0	0	0	0
Cash Dividends	0	0	0	0	0	0	0	0
Working Capital (Deficiency)	24,033	74,203	(20,736)	92,229	139,647	188,257	18,266	140,967
Resource Property Expenditures	2,555	254,063	76,935	7,501	1,748	52,018	52,773	20,892
Share Capital:								
-Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
-Outstanding	32,666,435	32,666,435	27,381,435	27,126,435	27,126,435	27,126,435	21,426,435	21,294,435
-Warrants	9,075,000	9,075,000	4,080,000	4,080,000	4,080,000	4,080,000	6,341,000	8,341,000
-Options	2,730,000	2,730,000	2,730,000	1,400,000	1,400,000	1,400,000	2,120,000	1,670,000

Table 1. General and Administrative Expenditures

	2011	2010				2009		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Regulatory	9,333	2,363	4,928	3,260	8,472	1,100	1,489	5,816
Investor Relations	3,206	9,921	3,746	1,588	2,014	6,326	4,015	26,054
Accounting/Legal	9,000	25,848	9,000	9,000	9,000	36,510	15,118	9,000
Salaries/consulting fees	22,000	23,800	22,000	22,000	24,000	32,019	37,018	37,018
Stock compensation	0	0	57,727	0	0	0	0	53,971
Office	2,633	4,006	7,608	2,546	2,883	5,109	4,283	4,678
Travel	1,392	5,356	4,948	1,523	493	2,735	10,125	8,565
Other	51	3,689	0	0	0	(60)	(2,120)	(930)
Total	47,615	74,982	109,957	39,917	46,862	83,739	69,928	144,172

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CAPITAL RESOURCES AND LIQUIDITY

During the three months ended March 31, 2011, investing activities incurred cash outflows on mineral property acquisition and exploration costs of \$2,555 (2010 – \$1,748). Cash inflows on Operating activities were \$7,237 (2009 – \$18,886 outflow).

Since inception, the Company has incurred cumulative losses of \$5,143,172 and has working capital at March 31, 2011 of \$24,033 (December 31, 2010 - \$74,203).

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 March 31, 2011 the Company's authorized share capital consisted of an unlimited number of common shares without par value and the Company had 32,666,435 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 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:

	<u>Year Ended</u> <u>December 31, 2010</u>	<u>Year ended</u> <u>December 31, 2009</u>
Capitalized or Expensed Exploration and Development Costs	\$340,247	\$141,860
General and Administration Expenses	\$223,268	\$362,866

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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 date of this report:

	June 23, 2011	March 31, 2011	December 31, 2010
Shares	32,666,435	32,666,435	32,666,435
Options	2,730,000	2,730,000	2,730,000
Agent's warrants	80,000	80,000	80,000
Warrants	<u>8,995,000</u>	<u>8,995,000</u>	<u>8,995,000</u>
Fully Diluted	<u>44,471,435</u>	<u>44,471,435</u>	<u>44,471,435</u>

For additional details of outstanding share capital, refer to the financial statements for the three months ended March 31, 2011.

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's Annual General Meeting is on June 29th, 2011.

INVESTOR RELATIONS ACTIVITIES

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

CHANGES IN ACCOUNTING POLICIES

See Note 4 of the interim financial statements for the quarter ending March 31, 2011 for a detailed listing of the Company's new accounting policies in accordance with IAS 34.

International Financial Reporting Standards

On February 13, 2008, Canada's Accounting Standard Board confirmed January 1, 2011 as the effective date for complete convergence of Canadian GAAP to International Financial Reporting Standards ("IFRS"). The official changeover date will apply for interim and financial statements relating to fiscal years beginning on or after January 1, 2011. The Company has determined that the key elements of this IFRS changeover on the Company will be in the areas of accounting for resource properties' acquisition and exploration costs, impairment of long-lived assets, accounting for share capital including stock options and warrant valuations and general IFRS disclosure requirements.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS has resulted in some changes to the Company's accounting policies in the recognition, measurement and disclosure of balances and transactions in its financial statements. The

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opening balance sheet figures have been adjusted and will need to be audited by the Company's auditors. To comply with these requirements, the Company will gather additional information and the current reporting processes will be modified to provide the appropriate level of detail in order to prepare the Company's financial statements under IFRS.

Impact on the Internal Controls over Financial Reporting

The Company has made the appropriate changes to maintain the integrity of the Company's internal controls over financial reporting for the initial transition to IFRS, including the related note disclosures, as well as on-going financial reporting.

Impact on the Disclosure Controls and Procedures

IFRS requires additional disclosures in a number of areas including estimates, related party transactions, income taxes and impairment. In the year of adoption of IFRS, additional disclosures are required to show the transition from GAAP to IFRS for the opening balance sheet figures as of January 1, 2010. Reconciliations of equity and earnings (loss) are required with disclosure of the key differences.

Financial Reporting Expertise

The Company has ensured that the appropriate management oversight is in place and appropriate management review and approval is obtained for all additional financial and other material disclosures. The Company's accounting personnel has been trained in IFRS, and the Audit Committee has assessed the Board of Director's knowledge of IFRS.

Impact on the Business

The Company has reviewed its significant business activities to date and believes that none of these will be impacted by the transition to IFRS. Business process will be monitored during the following months to detect and address any previously not identified IFRS conversion issues.

Conversion Plan

The Company's conversion plan to transition from Canadian GAAP to IFRS consisted of three phases:

- Phase 1 (Scoping and diagnostic) – A preliminary diagnostic review which included the determination, at a high level, of the financial reporting differences and options under IFRS and the key areas that may be impacted, was completed in 2010.
- Phase 2 (Impact analysis, quantification and evaluation) – In this phase, the Company performed a detailed assessment and technical analysis of each area identified from Phase 1 that resulted in the conclusion of IFRS transitional adjustments, decisions on accounting policy choices and the drafting of accounting policies. The Company completed this second phase in 2010.
- Phase 3 (Implementation phase) – This phase includes the collection of financial information necessary to compile IFRS compliant financial statements and the preparation of the opening balance sheet as at January 1, 2010 and currently ongoing.

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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 March 31, 2011, 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.

SUBSEQUENT EVENTS

On May 18, 2011 the Company announced it has requested an amendment to their 2008 exploration permit from Cranbrook MEMPR, to helicopter diamond drill 1000 meters. The current planned drill program is designed to test the lateral and downdip continuity of some of the better mineralized veins and vein systems.

ADDITIONAL INFORMATION

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