

BECKER GOLD MINES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2011

Suite 680 – 789 West Pender St, Vancouver, BC, V6C 1H2

BECKER GOLD MINES LTD.
MANAGEMENT DISCUSSION & ANALYSIS

For the six months ended June 30, 2011

1.0 INTRODUCTION

This Management's Discussion and Analysis ("MD&A") includes financial information from, and should be read in conjunction with, the unaudited condensed interim financial statements of Becker Gold Mines Ltd. ("the Company" or "Becker") for the six months ended June 30, 2011 and 2010, and with the audited annual financial statements of the Company for the year ended December 31, 2010. This MD&A for the six months ended June 30, 2011 reflects the Company's adoption of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A was prepared with information available to August 29th, 2011. Additional information and disclosure relating to the Company can be found on SEDAR at www.sedar.com.

2.0 FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

3.0 DESCRIPTION OF BUSINESS

Becker was incorporated in Ontario on November 30, 1944 under the *Company Act of Ontario*. On January 15, 2007, the Company was issued a certificate of Continuation by the Province of British Columbia.

Becker is a natural resource issuer, whose shares are listed on the NEX Board under the trading symbol "BDF.V". The Company's principal business is the acquisition, exploration and development of resource properties with a primary focus on exploration properties demonstrating potential for near term development. The Company has financed its current exploration and development activities principally by the issuance of common shares.

4.0 OVERALL PERFORMANCE

During the six months ended June 30, 2011 the Company incurred a net loss of \$153,472 (2010 – \$38,858) and had an accumulated deficit of \$2,129,210 as at June 30, 2011 (December 31, 2010 - \$1,975,738).

As at June 30, 2011, the Company had working capital of \$163,679 (December 31, 2010 – \$315,783), which is sufficient working capital to fund its current liabilities however, the Company will not have sufficient cash to meet its administrative overhead and to finance mineral property acquisition and future explorations for the ensuing twelve months.

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5.0 PROJECT UPDATES

On January 18, 2011, the Company signed a letter of intent with Cap Capital Corp. ("Cap Capital"), pursuant to which the Company will acquire all of the issued and outstanding shares of Cap Capital (the "Acquisition"). The purchase price for the Acquisition will be payable by the issuance of a total of 12,284,782 common shares of the Company ("Shares") at a deemed issue price of \$0.20 per Share. The Acquisition will form the basis of the Company's reactivation from the NEX Board to the TSX Venture Exchange (the "Exchange"), subject to the Company approval of the Exchange.

As part of the terms of the Acquisition, the Company will undertake a non-brokered private placement of up to 4,500,000 Units of the Company at a price of \$0.20 per Unit for gross proceeds of up to \$900,000 (the "Financing" and, together with the Acquisition, the "Transaction"). Each Unit will comprise one share and share purchase warrant (a "Warrant"). Each Warrant will be exercisable to acquire one additional share at a price of \$0.30 for a period of two years from the closing.

To assist in placing the Financing, the Company proposes to pay a finder's fee of 7% of the gross proceeds of the Financing payable in cash, and finder's warrants equal in number to 7% of the Units placed (each a "Finder's Warrants"), each Finder's Warrant being exercisable to acquire one additional Unit (as defined above) at a price of \$0.20 for a period of two years from the closing.

Completion of the Transaction is subject to a number of conditions, including Exchange acceptance and approval of the Company's disinterested shareholders.

6.0 RESULTS OF OPERATIONS

The Company currently has no properties of merit and consequently, has no operating income.

The Company has no earnings and therefore will finance its future acquisition and exploration activities by the issue of common shares or units. Certain of the key risk factors of the Company's operating results are the following: the state of capital markets which affects the ability of the Company to finance its acquisition and exploration activities; and market prices for natural resources as well as the non-viability of the projects.

The Company is not a party to any material legal proceedings and does not have any debt or other contractual obligation other than as disclosed in the financial statements. No significant revenue generating contracts or cash commitments were entered into or undertaken by the Company during the period other than as set out herein or in the financial statements of the Company.

Three months ended June 30, 2011, compared to three months ended June 30, 2010

The Company recorded a net loss and comprehensive loss of \$83,373 for the three months ended June 30, 2011 (\$0.03 loss per share) compared to a net loss and comprehensive loss of \$22,114 (\$0.01 loss per share) during the three months ended June 30, 2010, an increase in net loss and comprehensive loss of \$61,259, as explained in the following paragraphs.

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Consulting fees were \$21,250 in the three months ended June 30, 2011 compared to \$9,390 in the three months ended June 30, 2010, an increase of \$11,860. In 2011, the Company incurred additional consulting fees relating to the potential Acquisition of Cap Capital.

Legal and audit fees was \$29,628 in the three months ended June 30, 2011 compared to \$2,916 in the three months ended June 30, 2010, an increase of \$26,712. In 2011, the Company incurred additional legal expenses relating to the potential Acquisition of Cap Capital.

Transfer agent fees were \$18,039 in the three months ended June 30, 2011 compared to \$3,490 in the three months ended June 30, 2010, an increase of \$14,549. In 2011, the Company has incurred additional filing fees relating to the acquisition of Cap Capital.

Six months ended June 30, 2011, compared to six months ended June 30, 2010

The Company recorded a net loss and comprehensive loss of \$153,472 for the six months ended June 30, 2011 (\$0.05 loss per share) compared to a net loss and comprehensive loss of \$38,858 (\$0.01 loss per share) during the six months ended June 30, 2010, an increase in net loss and comprehensive loss of \$114,614, as explained in the following paragraphs.

Consulting fees were \$34,100 in the six months ended June 30, 2011 compared to \$12,390 in the six months ended June 30, 2010, an increase of \$21,710. In 2011, the Company incurred additional consulting fees relating to the potential Acquisition of Cap Capital.

Legal and audit fees was \$74,757 in the six months ended June 30, 2011 compared to \$5,571 in the six months ended June 30, 2010, an increase of \$69,186. In 2011, the Company incurred additional legal expenses relating to the potential Acquisition of Cap Capital.

Transfer agent fees were \$20,381 in the six months ended June 30, 2011 compared to \$8,944 in the six months ended June 30, 2010, an increase of \$11,437.

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7.0 SUMMARY OF QUARTERLY RESULTS

The following table summarizes information regarding the Company's operations on a quarterly basis for the last eight quarters and reflect the impacts of the Company's adoption of IFRS:

For the quarters ended

	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010	Sept. 30, 2010
Total revenues (Interest income)	-	-	967	977
Loss for the quarter	(83,373)	(70,099)	(139,173)	(8,725)
Loss for the quarter per share	(0.03)	(0.02)	(0.04)	(0.003)

For the quarters ended

	Jun. 30, 2010	Mar. 31, 2010	Dec 31, 2009	Sept. 30, 2009
Total revenues (Interest income)	669	721	1,549	3,366
Loss for the quarter	(22,113)	(16,744)	(41,890)	(16,267)
Loss for the quarter per share	(0.01)	(0.005)	(0.01)	(0.001)

The Company only earns interest income from its cash and cash equivalents, which will vary from period to period depending on their relative balances.

8.0 LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2011, the Company had working capital of \$163,679 (December 31, 2010 – \$315,783), which is sufficient working capital to fund its current liabilities however, the Company will not have sufficient cash to meet its administrative overhead and to finance mineral property acquisition and future exploration for the ensuing twelve months.

The Company's cash and cash equivalents are highly liquid and held at a major Canadian financial institution.

The Company currently has no income from operations and relies on financing through the issuance of additional shares of its common stock. Management has been successful in accessing the equity markets in prior years, but there is no assurance that such sources will be available, on acceptable terms, or at all in the future. Factors which could impact management's ability to access the equity markets include the state of capital markets, market prices for natural resources and the non-viability of the projects.

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9.0 SHARE CAPITAL AND DISCLOSURE OF OUTSTANDING SHARE DATA

At June 30, 2011 the authorized share capital was an unlimited number of common shares and there were 3,131,671 common shares issued and outstanding. As at the date of this MD&A the Company had 3,131,671 common shares issued and outstanding.

Stock Options and Warrants

The following incentive stock options were outstanding at the date of this report:

Expiry Date	Exercise Price	Number of Options
May 20, 2014	\$ 0.20	300,000

There were no warrants outstanding as at the date of this report.

As at the date of this report, the Company's fully diluted shares outstanding is as follows:

Common shares	3,131,671
Options	300,000
Warrants	-
Fully diluted shares outstanding	3,431,671

10.0 TRANSACTIONS WITH RELATED PARTIES

- (a) Consulting fees of \$33,100 (2010 - \$12,000) were charged by companies controlled by directors/officers of the Company;
- (b) Rent of \$12,100 (2010 - \$10,650) was paid to a company with directors in common.
- (c) The Company reimbursed \$nil (2010 - \$3,095) to a company with directors in common for filing fees that were paid for on behalf of the Company.
- (d) The Company reimbursed \$nil (2010 - \$13,682) to a company with a director in common for the Company's portion of leasehold improvements for shared office space.

At June 30, 2011, \$232,000 (December 31, 2010 - \$133,016) is owing to related parties in respect of the above amounts charged, and is included in accounts payable. The amounts due to related parties are without interest or stated terms of repayment.

11.0 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as of the date of this report.

12.0 PROPOSED TRANSACTIONS

Except as disclosed elsewhere in the MD&A, the Company has no proposed transactions.

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13.0 CONTRACTUAL OBLIGATIONS

The Company has no commitments, material capital lease agreements and no material long term obligations.

14.0 RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.
- b) The only source of future funds for the acquisition of projects and subsequent exploration programs available to the Company are the sale of equity capital. Management has been successful in accessing the equity markets in past periods, but there is no assurance that such sources will be available, on acceptable terms, or at all in the future.
- c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward-looking statements.

15.0 CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods.

Significant estimates and assumptions are used in determining the application of the going concern concept, the balance of accrued liabilities, assumptions used to determine the fair value of share-based payments and the determination of deferred income taxes. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the policies for going concern, share-based payments, and deferred income taxes are critical accounting policies which involve significant judgments and estimates used in the preparation of the Company's financial statements.

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Changes in circumstances in the future, many of which are outside of management's control, will impact the Company's estimates of future recoverability of net amounts to be realized from their assets. Such factors include, but are not limited to, the availability of financing, the identification of economically recoverable reserves, co-venturer decisions and developments, market prices of minerals, the Company's plans and intentions with respect to its assets and other industry and competitor developments.

The Company uses the Black-Scholes option pricing method to determine the fair value of share-based payments recognized. Estimates and assumptions are required under the model, including those related to the Company's stock volatility, expected life of options granted, and the risk free interest rate. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested.

16.0 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company prepared its financial statements in accordance with Canadian GAAP as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS as issued by the International Accounting Standards Board, and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis.

The June 30, 2011 condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and IFRS 1, First-Time Adoption of IFRS ("IFRS 1"). Subject to certain transition elections disclosed in Note 10, the Company has consistently applied the same accounting policies in the opening IFRS balance sheet as at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 10 discloses the impact of the transition to IFRS on the changes in equity and net loss and comprehensive loss, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended December 31, 2010. Management performed a detailed review of the Company's books and records in order to identify differences between Canadian GAAP and IFRS that affect the Company. After completing the review, no material adjustments were deemed necessary to convert the Company's financial reporting to IFRS. No changes in the Company's system of internal controls over financial reporting are required in the adoption of IFRS.

17.0 FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as held-for-trading; and accounts payable and accrued liabilities as other financial liabilities.

(a) **Fair value**

The carrying values of cash and cash equivalents, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

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(b) **Credit risk**

Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as all amounts are held at a major Canadian financial institution.

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company had working capital at June 30, 2011 in the amount of \$163,679 (December 31, 2010 - \$315,783).

(d) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of June 30, 2011.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk as its monetary financial instruments are denominated in Canadian dollars and all its operations are currently in Canada.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.