

TAWSHO MINING INC.
(A Development Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

(Form 51-102F1)

MANAGEMENT DISCUSSION AND ANALYSIS

THIRD QUARTER REPORT

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

The following Management Discussion and Analysis (“**MD&A**”) is a supplement to the interim unaudited financial statements as at September 30, 2009 which can be viewed under Tawsho Mining Inc. (the “**Corporation**” or “**Tawsho**”), on www.sedar.com. This MD&A should be read in conjunction with the December 31, 2008 and 2007 audited annual financial statements of Tawsho and Jardincap’s Management Proxy Circular dated April 15, 2008 also available on www.sedar.com.

On May 31, 2008, one of the predecessor companies to the current Tawsho Mining Inc. (“**Tawsho (prior)**”) and the other predecessor company to Tawsho, a public company, Jardincap Inc. (“**Jardincap**”), amalgamated. For accounting purposes and because of its approximately 96% diluted interest, the Corporation’s operations are considered a continuation of Tawsho (prior)’s operations. Tawsho was listed on the TSX Venture Exchange (“**TSX-V**”) on July 28, 2008, as Tawsho Mining Inc. under the symbol TAW.

1. FORWARD-LOOKING STATEMENTS

Forward-looking statements provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this MD&A constitute forward looking statements. The use of any words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Corporation’s expectations as of September 30, 2009
- Readers are cautioned not to place undue reliance on these statements as the Corporation’s actual results, performance, or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation’s business, or if the Corporation’s estimates or assumptions prove inaccurate. Therefore, the Corporation cannot provide any assurance that forward-looking statements will materialize
- The Corporation assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Corporation’s actual results to differ materially from the forward looking statements in this MD&A, please see “Risks and Uncertainties” below.

2. DATE

This MD&A for the nine months (“**Third Quarter**”) ended September 30, 2009 was completed on November 26, 2009. Important activities and events after September 30, 2009 are also noted.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

3. DESCRIPTION OF BUSINESS

The Corporation was created under Articles of Amalgamation in the Province of Ontario, Canada on May 31, 2008. Prior to amalgamation, Tawsho (prior) was incorporated under the laws of the Province of Ontario on November 28, 2006. The Corporation, a mining exploration and development company, holds mining exploration permits on a property (the Chevrier Property) located in Quebec and is engaged in the acquisition, exploration and development of properties for the mining of precious and base metals.

The Corporation has no income or royalties from production or from production-related activities and none were anticipated for the nine months ended September 30, 2009.

The Chevrier Property is at the exploration stage.

4. EXPLORATION ACTIVITIES

The Chevrier Property, situated in north-western Quebec in the Chibougamau mining camp, is composed of 557 contiguous claims, covering approximately 95 km². The Corporation has a 100% interest in 515 of them. All claims are located in the townships of Queylus, Hauy, Fancamp and La Dauversiere.

Since the mid 1980's, the property has been the site of at least three drilling programs. In 1984 and 1985 Ressources Diana Ltee carried out a geophysical survey and drilled 34 holes on the "East" showing, the "West" showing and several other geophysical anomalies in the Diana block of claims. Corporation Falconbridge Copper Exploration drilled the property under 19 development licenses, subject to an agreement with Ressources Diana Ltee.

In 1987, Minnova (earlier operating under the name of Corporation Falconbridge Copper, which was purchased by Metall Mining and subsequently changed its name to INMET) became the owner of most of the claims of the properties. This company owned the properties between 1987 and 1994 and carried out the first extensive exploration programs of geological and geophysical surveys and diamond drilling. Minnova discovered the Chevrier zone in 1988 and the Chevrier Sud zone in 1992.

In 1995, GeoNova Explorations Inc. ("GeoNova") became the owner of the properties and continued exploration and study work until 2002. GeoNova carried out diamond drilling campaigns in 1996, 1997, and 2002 and prepared resource estimates and preliminary mining studies. Previous work has not been able to establish a readily economic deposit and the property has been a source of interest for several years. Recent technological developments in exploration, the increase in the price of gold and sustained interest in local geological formations are now favourable for a renewed attempt at developing the potential of this property. The Chevrier Property was acquired from GeoNova (a subsidiary of Campbell Mines) in November 2007 for \$1.4 million.

From November 2007 to the date of this MD&A, Tawsho has undertaken the following:

- Preparation of a report on the previous work done on the Chevrier Property compiled by SNC-Lavalin Inc. of Montreal, containing recommendations of actions to be taken in order for a National Instrument 43-101 *Standards of Disclosure for Mineral Project* compliant report to be produced (available on the Corporation's web site)
- A geological review of the property and the area
- An aeromagnetic survey (2,792 km line survey)
- Ground Time Domain EM survey
- Resource modeling
- Target identification
- Additional claims obtained during Q3 2008
- A 23 hole drill program has been completed to date and assay results have been released
- Completed Scoping Study Mining and Processing of a Bulk Sample report

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

4. EXPLORATION ACTIVITIES (continued)

In October 2009, the Corporation engaged a contractor to prepare National Instrument 43-101 report. The work on the report is expected to be completed in February 2010 at the budgeted cost of approximately \$150,000.

Scientific and technical information disclosed herein has been prepared under the supervision of Francoise Gagnon, Eng., who is the Qualified Person within the meaning of National Instrument 43-101.

5. MINING PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	December 31, 2008	Additions	September 30, 2009
Acquisition	\$ 1,484,995	\$ 13,287	\$ 1,498,282
Drilling	1,378,606	631,625	2,010,231
Sampling	44,748	97,665	142,413
Geological and geophysical	293,834	147,497	441,331
Line cutting	26,261	-	26,261
Environmental	57,834	1,722	59,556
Management and administration	43,296	11,970	55,266
Travel and transport	10,515	-	10,515
Mining tax credits	(655,290)	20,270	(635,020)
Total	\$ 2,684,799	\$ 924,036	\$ 3,608,835

6. FLOW-THROUGH RESERVE

At September 30, 2009, funds reserved for exploration activities were as follows:

Flow-Through Reserve Funds	Total
Balance as at December 31, 2008	\$ 1,397,180
Eligible CEE paid during nine months ended September 30, 2009	(1,123,299)
Balance as at September 30, 2009	\$ 273,881

Tawsho has budgeted and is committed to spending the balance of these funds before December 31, 2009.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

7. RESULTS OF OPERATIONS BY QUARTER

	March 31, 2008 (restated) \$	June 30, 2008 (restated) \$	September 30, 2008 (restated) \$	December 31, 2008 \$	March 31, 2009 (restated) \$	June 30, 2009 \$	September 30, 2009 \$
Total Assets	4,500,621	5,156,825	8,008,553	7,475,845	7,849,542	7,352,145	7,297,029
Working Capital	2,286,156	2,928,938	4,975,460	4,703,096	4,032,317	3,741,162	3,511,187
Shareholders' Equity	4,166,167	5,052,093	7,475,128	7,389,479	6,758,088	6,592,342	6,624,840
Revenues	22,105	15,375	26,575	18,539	6,024	362	252
Net Income (Loss)	(12,578)	90,031	(560,551)	(101,309)	(228,253)	(165,746)	14,782
Net Income (loss) per common share, basic and diluted	0.0070	0.0050	0.0256	(0.0280)	(0.0101)	(0.0073)	0.0007

Three months ended September 30, 2009 vs. Three months ended September 30, 2008

The Corporation reported net income of \$14,782 or \$0.0007 net income per common share in the Third Quarter of 2009 compared to a net loss of \$560,551 or \$0.0256 net loss per common share in the Third Quarter of 2008. The Corporation's only source of revenue for the Third Quarter of 2009 was interest income of \$252 compared to \$26,575 in the Third Quarter of 2008. The main reason for the decrease in interest income was a decline in interest rates from 3.25% in the Third Quarter of 2008 to 0.50% in the Third Quarter of 2009.

Operating expenses decreased from \$13,335 in the Third Quarter of 2008 to \$11,277 in the Third Quarter of 2009; these expenses are expected to be consistent between quarters.

The decrease in stock-based compensation from \$488,882 in the Third Quarter of 2008 to \$17,716 in the Third Quarter of 2009 is due to the fact that all 2008 options were issued in July and August 2008 with almost 90% vesting on grant date and a correspondingly high compensation cost charged to income in the Third Quarter of 2008. In the Third Quarter of 2009, the company incurred management fees of \$6,500 (2008 - \$nil) paid to a company owned by a relative of a director and management wages in the amount of \$20,572 (2008 - \$nil) paid to officers of the company. The increase in management wages is due to the hiring of a controller in August of 2009; in 2008, these services were outsourced and included in professional fees.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

7. RESULTS OF OPERATIONS BY QUARTER (continued)

Three months ended September 30, 2009 vs. Three months ended September 30, 2008 (continued)

The decrease in professional fees from \$75,818 in the Third Quarter of 2008 to \$6,509 in the Third Quarter of 2009 is due to accounting and legal fees related to the Jardincap amalgamation incurred in 2008. Also included in the 2008 professional fees are outsourced management services which have been performed internally and booked to management wages in the Third Quarter of 2009.

Furthermore, during the Third Quarter of 2009, the corporation incurred \$153,037 in development and exploration costs (discussed above in "Exploration Activities") compared to \$375,214 in the Third Quarter of 2008. These expenses are capitalized for accounting purposes. During the Third Quarter of 2009, the Corporation also paid \$5,774 in costs related to mining claims and the maintenance thereof (\$1,657 in the Third Quarter of 2008).

Nine months ended September 30, 2009 vs. Nine months ended September 30, 2008

The Corporation reported a net loss of \$213,471 or \$0.0095 net loss per common share in 2009 compared to a net loss of \$483,098 or \$0.0242 net loss per common share in 2008.

The Corporation's only source of revenue in 2009 was interest income of \$6,637 compared to \$64,055 in 2008. The main reason for the decrease in interest income was a decline in interest rates.

The decrease in stock-based compensation from \$489,149 to \$28,738 is due to the fact that all 2008 options were issued in July and August 2008 with almost 90% vesting on grant date and a correspondingly high compensation cost charged to income in 2008. There were fewer options issued in 2009.

In 2009, the company incurred management fees of \$25,805 (2008 - \$nil) paid to a company owned by a relative of a director and management wages in the amount of \$52,414 (2008 - \$nil) paid to officers of the company. The increase in management wages is due to the hiring of a controller in August of 2009 and to wages paid to a former president of the Corporation; in 2008, these services were outsourced and included in professional fees.

The decrease in professional fees from \$136,111 in 2008 to \$122,970 in 2009 is due to accounting and legal fees related to the Jardincap amalgamation incurred in 2008. The increase in office and general expenses from \$36,947 to \$58,662 is due to a \$7,000 increase in insurance premium and a rent expense of \$13,000 (2008 - \$nil).

The Corporation incurred share issue costs of \$582,495 in 2009 compared to \$358,654 in 2008.

Furthermore, in 2009, the Corporation incurred \$890,479 in development and exploration costs (discussed above in "Exploration Activities") compared to \$884,054 in 2008. These expenses are capitalized for accounting purposes. In 2009, the Corporation also paid \$13,287 in costs related to mining claims and the maintenance thereof (\$36,166 in 2008).

Generally, the Third Quarter went as expected and the exploration program was executed as planned and on budget.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

8. LIQUIDITY AND CAPITAL RESOURCES

The interim unaudited financial statements have been prepared on a going concern basis which assumes that the Corporation can realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Corporation's continued operation is dependent upon its ability to obtain the financing necessary to provide adequate working capital for the foreseeable future.

	September 30, 2009	December 31, 2008	September 30, 2008 (restated)
Working Capital	\$ 3,511,187	\$ 4,703,096	\$ 4,975,460
Deficit	\$ 1,740,948	\$ 944,982	\$ 843,673

Total assets decreased 2% to \$7,297,029 at September 30, 2009 compared to \$7,475,845 at December 31, 2008 primarily due to a refund of mining tax credits. The Corporation had a working capital surplus of \$3,511,187 at September 30, 2009 compared to \$4,703,096 at December 31, 2008.

Cash and short-term investments decreased 21% during the Third Quarter from \$3,991,017 at December 31, 2008 to \$3,142,177 at September 30, 2009.

At September 30, 2009, the Corporation had mining assets with a total book value of \$3,608,835 (2008 - \$2,684,799). Management has considered the carrying value of its mining assets and has determined that, primarily because of the good location of its properties in close proximity to major gold deposits and the availability of financing, no impairment provision is considered necessary. The balance sheet values may not represent those which could be obtained if the properties were to be offered for sale at this time.

At September 30, 2009, the Corporation recorded a deficit of \$1,740,948 compared to \$944,982 at December 31, 2008. Included in the deficit at September 30, 2009 are share issue costs of \$582,495 (September 30, 2008 - \$358,654), of which \$2,495 were actually incurred and the remaining \$580,000 (2008 - \$nil) represents the estimated future tax effect of the renunciation of exploration expenditures in favour of flow-through shareholders.

9. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of business and are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

- a. Included in management fees is an amount of \$15,000 (2008 - \$nil) paid to a Corporation wholly owned by a director and \$19,500 (2008 - \$nil) paid to a Corporation wholly owned by a relative of a director
- b. Management wages totaling \$58,503 (2008 - \$nil) were paid to an officer
- c. Included in deferred mining exploration costs are amounts totaling \$1,602 (2008 - \$nil) paid to an officer

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

10. SIGNIFICANT ACCOUNTING POLICIES

The Corporation's significant accounting policies are described in Note 3 of the interim unaudited financial statements for the period ended September 30, 2009. Management considers the following to be the most critical in understanding the judgments involved in preparing the Corporation's financial statements and the uncertainties that could impact its results of operations and future cash flows.

New Accounting Standards

- (a) **Goodwill and Intangible Assets**
The CICA issued a new accounting standard, section 3064, "Goodwill and Intangible Assets." This section replaces Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs." Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section will be applicable to financial statements relating to annual and interim financial periods beginning on or after October 1, 2008. Accordingly, the Corporation adopted the new standards for its fiscal year beginning January 1, 2009. The adoption of this new standard did not have an impact on the Corporation's interim financial statements.
- (b) **General Standards of Financial Statement Presentation**
The CICA has amended Section 1400, "General Standards of Financial Statement Presentation" which is effective for annual and interim financial periods beginning on or after October 1, 2008 to include requirements to assess and disclose the Corporation's ability to continue as a going concern. Accordingly, the Corporation adopted the new standards for its fiscal year beginning January 1, 2009. The adoption of this new standard did not have an impact on the Corporation's interim unaudited financial statements.
- (c) **Impairment Testing of Mineral Exploration Properties, Emerging Issues Committee 174**
On March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This standard was adopted by the Corporation effective March 27, 2009.

Future accounting changes

In February 2008, the Accounting Standards Board ("AcSB") confirmed that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for the interim and annual financial statements relating to fiscal years beginning on January 1, 2011. The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Corporation for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010. The Corporation has developed a three phase changeover plan to adopt IFRS by January 1, 2011 as follows:

- (i) **Scope and Plan:** The first phase involves the identification of differences between IFRS and existing Canadian GAAP, and an assessment of their applicability and the expected impact on the Corporation.
- (ii) **Design and Build:** The second phase includes the detailed review, documentation and selection of accounting policy choices relating to each IFRS standard. This phase will also include assessing the impact of the conversion on business activities, including the effect on information technology and data systems, income tax, internal controls over financial reporting, and disclosure controls. In this phase, accounting policies will be finalized, first-time adoption exemptions and exceptions will be considered, and draft financial statements and note disclosures will be prepared.
- (iii) **Implement and Review:** The final phase involves the actual implementation of IFRS standards. This phase will involve the finalization of IFRS conversion impacts, approval and implementation of accounting policies, implementation and testing of new processes, systems and controls, and the execution of detailed training where required.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

10. SIGNIFICANT ACCOUNTING POLICIES (continued)

The first and second phases of the Corporation's IFRS changeover plan have been completed by August 17, 2009. The final phase is expected to be completed by December 31, 2009. The project completion is geared for the start of the December 31, 2010 fiscal year to facilitate the preparation of interim financial statements for the purpose of comparison to the corresponding interim period for the year ended December 31, 2011.

Consolidations and Non-controlling Interests

In January 2009, the CICA issued Section 1601, "Consolidated Financial Statements" and Section 1602 "Non-controlling Interests" to replace Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards of accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of the International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements." These standards are effective for interim and annual financial statements beginning on or after January 1, 2011, which for the Corporation is January 1, 2011. The Corporation has not yet determined the impact of the adoption of these sections on its financial statements.

Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations". This section is effective January 1, 2011 and applies prospectively to business combinations for which the acquisition date is on or after the first annual reporting period of the Corporation beginning on or after January 1, 2011, which for the Corporation is January 1, 2011. Early adoption is permitted. This section replaces Section 1581, "Business Combinations" and harmonizes the Canadian standards with international financial reporting standards ("IFRS"). The Corporation has not yet determined the impact of the adoption of this section on its financial statements.

Financial Instruments – recognition and measurement, disclosure and presentation

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. All financial assets and financial liabilities, including derivatives, are measured at fair value, except for loans and receivables, investments held-to-maturity and other financial liabilities, which are measured at amortized cost. Measurement in subsequent periods depends on whether the financial instrument had been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

Held-for-trading financial investments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the assets are removed from the balance sheet. All changes in the fair value of derivatives are recognized in earnings unless specific hedge criteria are met in accordance with Section 3865 which requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The Corporation has elected to apply the following classifications to each of its significant categories of financial instruments:

<u>Asset/Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash and cash equivalents	Held for trading	Fair value
Cash reserved for exploration	Held for trading	Fair value
Bank overdraft	Held for trading	Fair value
Mining and commodity tax credits receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

10. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value

Canadian generally accepted accounting principles require that the Corporation disclose information about the fair value of its financial assets and liabilities. Fair value estimates of financial assets and liabilities are made at the balance sheet date, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts of cash and cash equivalents, cash reserved for exploration, mining and commodity tax credits receivable, bank overdraft and accounts payable and accrued liabilities approximate fair value because of the limited term of these instruments.

Interest rate risk

The Corporation has cash balances and no interest bearing debt. The Corporation's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Corporation monitors its investments and is satisfied with the credits ratings of its banks.

Credit risk

Credit risk is the risk that that a client or vendor will be unable to pay or receive any amounts owned or owing by the Corporation. Management's assessment of the Corporation's credit risk is low as it is primarily attributable to funds held in Canadian banks and commodity taxes recoverable from the Government of Canada.

Commodity price risk

The future profitability of the Corporation is indirectly related to the market price of metals, particularly gold.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Any equity offering will result in dilution to the ownership interests of the Corporation's shareholders and may result in dilution to the value of such interests. The Corporation intends to fulfill all of its financial obligations as they come due.

Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Corporation is exposed to these risks as the ability of the Corporation to develop or market its properties and the future profitability of the Corporation is related to the market price of certain metals.

Capital risk

The Corporation manages its capital to ensure that there are adequate capital resources for the Corporation to maintain and explore its mineral properties. The capital structure of the Corporation consists of cash, cash equivalents and capital stock.

Foreign currency risk

As at September 30, 2009, the Corporation did not hold any balances in foreign currencies that would give rise to exposure to foreign exchange risk.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

11. CAPITAL MANAGEMENT

The Corporation's objective in managing capital is to ensure sufficient liquidity to support the acquisition, development and exploration of mining properties and maintain the necessary corporate and administrative functions to facilitate these activities. The Corporation defines capital that it manages as the aggregate of its shareholders' equity, which consists of issued shares, contributed surplus, warrants outstanding and deficit.

The Corporation manages and adjusts its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements to support the acquisition and exploration of mining assets. In order to maintain or adjust the capital structure, the Corporation, upon approval from its Board of Directors, may issue shares, repurchase shares and pay dividends. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. The Board of Directors reviews and approves any material transactions not in the ordinary course of business which may include various acquisition proposals, as well as capital and operating budgets.

The property in which the Corporation currently has an interest is in the exploration stage; as such, the Corporation, is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed. The Corporation will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable. There were no changes in the Corporation's approach to capital management during the period ended September 30, 2009. The Corporation is not subject to externally imposed capital requirements.

12. RISKS AND UNCERTAINTIES

The business of Tawsho and an investment in securities of Tawsho should be considered speculative due to the nature of Tawsho's business, Tawsho's early stage of development and certain other factors. A prospective shareholder should consider carefully the following factors:

Exploration and Mining Risks

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. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, and the ability to obtain suitable adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Tawsho will rely upon its management, consultants, and others for exploration and development expertise. Substantial expenditures are required to establish mineral resources and reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, 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 mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, cost of processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Tawsho has no production mines at this time.

The Corporation is partly financed by the issuance of flow-through shares; however, there are no guarantees that the funds spent by the Corporation will qualify as Canadian exploration expenses, even if the Corporation has taken all the necessary measures for this purpose. The denial of some expenses by the fiscal authorities would have a negative financial impact on investors and a deductible tax could be payable by the Corporation.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

12. RISKS AND UNCERTAINTIES (continued)

Financing Risks

Tawsho has limited financial resources, has no source of operating cash flow, and has no assurance that additional funding will be available to it for further exploration and development of its mineral property interests beyond its current programs. Currently, the only sources of financing for Tawsho's activities is through cash on hand, further sale of its equity securities or optioning or joint venturing of those properties in which it has an interest, and there can be no assurance it will be able to raise funds in such manner at any given time. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of its properties, with the possible loss of the properties, or the inability to acquire any additional mineral properties.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding, and earthquakes, may occur. It is not always possible to fully insure against such risks and Tawsho may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of Tawsho.

No Assurance of Titles or Boundaries

Tawsho cannot guarantee title to its properties. Other parties may dispute title to any of its properties and any of it may be subject to prior unregistered agreements or transfers or land claims by aboriginal, native, or indigenous peoples, and title may be affected by undetected encumbrances or defects or governmental actions.

Regulatory Requirements and Special Interests

Tawsho's Chevrier Property is located in the Province of Quebec. Mineral exploration and mining activities in Quebec are affected by government regulations relating to resource and mining industry. Any changes in regulations or shifts in political conditions are beyond the control of Tawsho and may adversely affect its business. Future operations may be affected in varying degrees by government regulations with respect to restrictions on access to the mineral rights, production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety. The effect of all of these factors cannot be accurately predicted. There can be no assurance that the present government, or any successor governments, can sustain the timely access to minerals envisaged in the mining legislation of Quebec, notwithstanding the potential compliance of Tawsho.

Permits and Licenses

The operations of Tawsho may require licenses and permits from various governmental authorities. There can be no assurance that Tawsho will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its properties.

Gold prices

Even if Tawsho's exploration programs are successful, factors beyond the control of Tawsho may affect the marketability of any gold discovered. Gold prices have historically fluctuated widely, particularly in recent years, and are affected by factors beyond Tawsho's control, including inflation, international economic and political trends, currency exchange fluctuations, interest rates, global and regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot be predicted and can render any deposit which is outlined uneconomic to exploit.

Competition

The mineral industry is intensely competitive in all its phases. Tawsho will compete with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral claims, leases and other mineral interests.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

12. RISKS AND UNCERTAINTIES (continued)

Environmental Regulations

Tawsho's proposed operations, including but not limited to exploration, will be subject to environmental laws, regulations and rules promulgated by government authorities from time to time. Environmental legislation is changing frequently and provides for increasing restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. Environmental legislation is evolving in a manner which means stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce or eliminate the profitability of operations or make deposits uneconomic to develop.

Conflicts of Interest

Tawsho and its directors and officers may serve as directors or officers of other companies which may compete for mineral exploration projects with Tawsho. In addition, corporate opportunities giving rise to potential conflicts of interest may occur from time to time. In the event that such a conflict of interest arises, a director which has such a conflict is required to disclose it to the Board of Directors and to abstain from voting with respect to such matter. The directors of Tawsho are required to act honestly, in good faith and in the best interests of Tawsho. Conflicts of interest will be subject to the provisions of the Ontario Business Corporations Act.

Dependence on Key Personnel

The business of mineral exploration involves a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, direction and integrity of the management of Tawsho. Tawsho's success will depend on the services of a number of key personnel, including its executive officers and other key employees, the loss of any one of whom could have an adverse effect on its operations and business prospects. Tawsho's future performance is partially dependent on the services of Raymond Savoie, CEO, and Zoran Arandjelovic, Chairman. Given Tawsho's stage of development, the Corporation is less dependent on retaining highly qualified technical personnel since these services can be provided by external consultants.

Dividends

All of Tawsho's available funds will be invested to finance its activities and therefore shareholders cannot expect to receive a dividend on Tawsho's shares in the foreseeable future.

13. OFF – BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

14. DISCLOSURE OF OUTSTANDING SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of class A common shares and an unlimited number of preferred shares. As at September 30, 2009 and November 12, 2009, 22,562,249 of class A commons shares were issued. There were no preferred shares issued at September 30, 2009 or November 12, 2009. Each class A common share entitles the holder to one vote. At September 30, 2009 and November 26, 2009, the Corporation had 676,250 share purchase warrants outstanding and 1,465,000 share options issued pursuant to the Corporation's Stock Option Plan. The share purchase warrants have an expiry date of May 29, 2010 and July 18, 2010. At September 30, 2009, outstanding warrants were as follows:

Subscription Rights to Common Shares	Exercise Price	Expiry Date
426,250	\$ 1.25	May 29, 2010
250,000	\$ 1.25	July 18, 2010

As at September 30, 2009, these warrants had a weighted average exercise price of \$1.25 and a weighted average contractual life of 8 months.

TAWSHO MINING INC.
(A Development Stage Company)
Management Discussion and Analysis
For the nine months ended September 30, 2009

15. CORRECTION OF FIRST AND SECOND QUARTERS OF 2009

The financial statements for the Third Quarter have been restated to correct an error in future income tax payable and net income and comprehensive income at March 31, 2009. The future income tax recovery was erroneously booked at \$325,000. The Corporation determined that the future income tax recovery should be recorded at \$83,000 with a corresponding increase in future income tax liability from \$255,000 at March 31, 2009 to \$497,000 in the corrected Third Quarter financial statements.

The Company also determined that, at June 30, 2009, the tax effect of the renunciation of exploration expenditures in the amount of \$580,000 was included in the statement of cash flows in error. The correction of the error resulted in a reduction of cash flows from operating activities from \$605,924 to \$25,924 at June 30, 2009. The correction of the error did not have an impact on net loss, comprehensive loss or net loss per common share.

16. INDUSTRY TRENDS AND OUTLOOK

The downturn in worldwide financial markets has forced many mining companies, large and small, to refocus their priorities and pare down their portfolio of mining assets. Tawsho is well financed and is in a relatively good position. The Corporation is committed to advancing the Chevrier Project. Work to compile actual and historical data has been undertaken and is expected to end in December 2009. Because mineralization is structurally controlled at the Chevrier deposit, a structural study was completed in September 2009 to assist in the geological interpretation to create a 3D Block Model and in targeting future holes.

The main objective of the Corporation is to increase shareholder value through acquisition, exploration and development success. In spite of difficult market conditions, the directors of Tawsho are confident that this objective will be met.

17. SUBSEQUENT EVENTS

New stock options issued

On November 5, 2009, 80,000 stock options were issued to a director. These options vest immediately, have an exercise price of \$0.185 and an expiry date of November 5, 2014.

Contractor hired to complete the National Instrument 43-101 report

In October 2009, the Corporation hired a contractor to complete the National Instrument 43-101 report on the Chevrier Property. The estimated cost of the project is \$150,000 and the expected completion date is February 2010.

18. ADDITIONAL INFORMATION

Additional information about the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com and on the Corporation's website at www.tawshomining.com.

19. QUALIFIED PERSON

Francoise Gagnon, Eng., is the Corporation's Qualified Person for the purposes of National Instrument 43-101 and has approved the technical disclosures in this MD&A.

November 26, 2009