TAWSHO MINING INC.
(A Development Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010

(Form 51-102F1)

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September 30, 2010

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THIRD QUARTER REPORT

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010

1. OVERVIEW

This Management's Discussion and Analysis ("**MD&A**") is intended to assist in the understanding of trends and significant changes in or results of operations and the financial condition for the year presented. The MD&A has been prepared by management as at November 27, 2010 and should be read in conjunction with the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2010, as well as the annual audited financial statements as at December 31, 2009 and 2008, and for the years then ended, together with accompanying notes and the Management Discussion and Analysis as at December 31, 2009. These documents and additional information about Tawsho Mining Inc. (the "**Corporation**" or "**Tawsho**") are available on SEDAR at www.sedar.com.

2. CAUTIONARY STATEMENT REGARDING 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. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Corporation's properties; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; success of exploration activities; mining or processing issues; government regulation of mining operations; and environmental risks. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. 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 applicable securities laws.

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.

3. CORPORATE OVERVIEW

The Corporation was created under Articles of Amalgamation in the Province of Ontario, Canada on May 31, 2008 when the prior Tawsho Mining Inc. ("Tawsho (prior)") and a public company, Jardincap Inc., amalgamated. Prior to amalgamation, Tawsho (prior) was incorporated under the laws of the Province of Ontario on November 28, 2006. 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. 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.

In June 2010, Tawsho Mining (Mali) Inc. ("Tawsho Mali") was incorporated as a Barbados company for the purpose of conducting gold exploration in Mali, Africa.

The Corporation has no income or royalties from production or from production-related activities and none were anticipated for the three and nine months ended September 30, 2010.

4. STRATEGIC GOALS

From inception, the Corporation has followed two principal strategies**:** a short to medium term strategy of evaluating the resource on the Chevrier property with intent of developing a gold producing mine; and, a longer term strategy focused on acquiring additional mining interests in Canada and abroad.

5. EXPLORATION ACTIVITIES

a. Chevrier Property

The Chevrier Property, located in north-western Quebec, is composed of 557, mostly contiguous claims, covering approximately 95 km^2. The Corporation has a 100% interest in 515 of them. All claims are located in the townships of Queylus, Hauy, Fancamp and La Dauversière, Province of Quebec.

The first exploration work documented on the Chevrier property area was performed by Teck Corp. in 1950. This was followed by sporadic exploration activities targeted at different portions of the present property area by various mining companies.

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 Corporation Falconbridge Copper Exploration drilled 34 holes on the "East" showing, the "West" showing and on several 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 property. This Corporation owned the property between 1987 and 1994 and carried out the first extensive exploration programs of geological and geophysical surveys and diamond drilling. Minnova discovered both the Chevrier zone and the Chevrier South zone in 1988 and 1992 respectively.

In 1995, GeoNova Explorations Inc. ("**GeoNova**") became the owner of the property 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 although 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 favorable for a renewed attempt at developing the potential of this property. The Chevrier Property was acquired from GeoNova (a subsidiary of Campbell Resources) 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 EM Time Domain survey
- Resource modeling
- Target identification
- Additional claims obtained between December 2007 and July 2008
- A 24 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
- Completed National Instrument 43-101 report

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.

Current outlook
The data has been compiled and reviewed, and a 3-D model on the Chevrier deposit was generated by MetChem in a recently completed NI 43-101 technical report. This report is being studied and the recommendations are being evaluated. A complete and comprehensive review of the mineralization occurring on the property is currently underway to better plan the next stage of activity that is required to develop the property. The MetChem report has demonstrated that the grade distribution within the Chevrier mineralized body is structurally complex and is only now being understood. Tawsho' understanding of the underlying structural geology and its controls on the spatial distribution of mineralization will now guide its programs to better plan the development of other showings in the adjacent ground and thereby increase the resource base of the property.

5. EXPLORATION ACTIVITIES (continued)

b. Whisker Valley, Newfoundland

Pursuant to the option agreement (the "Option Agreement") with Rhino Exploration Ltd. ("Rhino") signed in February 2010 and approved by the TSX-V in April 2010, the Corporation can acquire a 100% ownership interest of Rhino's Whisker Valley claims located on Baie Verte Peninsula, Newfoundland, covering approximately 165 sq. km. Upon approval of the Option Agreement by the TSX-V, the Corporation made an initial payment of $40,000 in cash and issued 125,000 common shares to Rhino. The Option Agreement provides for additional periodic payments to Rhino totalling $1,350,000 in cash and the issuance to Rhino of 1,525,000 common shares of the Corporation by April 2018. In addition, Tawsho is obligated to spend $2,050,000 in exploration expenditures by April 8, 2014 and to pay a 3% Net Smelter Royalty (NSR) with the option to repurchase 1% for $$1,000,000. (Note 16 – Commitments.)

Subsequent to September 30, 2010, the Company entered into a letter agreement (the "Chamberlain Agreement") with Roland Chamberlain ("Chamberlain") dated October 15, 2010, to acquire a 100% ownership interest in two mineral claim blocks covering approximately 50 sq. km.and any related license granted by the province of Newfoundland. These mineral claims are located in the Baie Verte Peninsula, Newfoundland, adjacent to the Company's existing option rights acquired from Rhino Exploration Ltd.

The Chamberlain Agreement provides for a 3% Net Smelter Returns royalty ("NSR") to Chamberlain, with the option for Tawsho to repurchase two-thirds of the NSR for CAD $2M. It also provides for the Company to spend $10,000 per annum for exploration expenditures starting October 15, 2011 (Note 16 – Commitments).

Current outlook

Each of the eleven drill holes completed since the last report, were recorded. The selected mineralized intervals from each hole were split and the samples were submitted to a laboratory for analysis. The analytical results for duplicate and standard samples have been reviewed to confirm that the analytical results met the required standards. The analytical results obtained for each hole are being compiled and merged with the existing drill log files. Further, the analytical results obtained for samples collected in the till-soil geochemical survey and for the grab samples of mineralized outcrop in the region collected during the prospecting survey have also been evaluated and are plotted on maps. A report on these results is being prepared and will be filed as an assessment report with the Newfoundland-Labrador Department of Mines. A summary report of these results will be released at date of filing.

Meanwhile, subsequent to September 30, 2010, additional field exploration is being aggressively continued. The till-soil sampling program has been extended over the eastern portion of property grid and an additional 850 soil samples are being collected and they will be analyzed at the laboratory in the near future. The IP survey completed last summer is being merged with historical IP data that had been previously completed in adjacent areas. Additional IP surveys will also be carried out to fill the gaps between the previous surveys and to extend the previous surveys in order to develop a more complete database for selection of future drill hole targets.

Similarly, a regional compilation of all the historical aeromagnetic, radiometric, field and grab sample analytical data obtained through earlier exploration activities in the region have been evaluated and will also be merged with the current data generated by the company on the property. Radar sat imagery and Aster sat files of the Property are being obtained and will be added to complete the map layers in the GIS data base.

c. Mali, Africa

In June 2010, Tawsho Mining (Mali) Inc. ("Tawsho Mali") was incorporated as a Barbados company for the purpose of conducting gold exploration in Mali, West Africa. During the nine months ended September 30, 2010, the Corporation paid consulting fees to assess the potential of a gold concession in the south of Mali.

Furthermore, the company is still continuing its interest in the African continent to identify high potential concessions. Basic geological information is being gathered and analyzed with our partners on the ground in West Africa, Ethiopia and Tanzania.

Subsequent to September 30, 2010, the Corporation decided not to pursue the concession in Mali based on its assessment of the geological information and data received from its consultant. As a result, the Company expensed the capitalized deferred exploration expenditures of $40,538(2009, $nil)

6. MINING PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	NON-PRODUCING PROPERTIES			
	Chevrier Quebec ($)	**Whisker Valley Newfoundland ($)**	**Mali ($)**	**TOTAL ($)**
Balance, December 31, 2009	3,545,337	-	-	3,545,337
PROPERTY ACQUISITION COSTS	3,016	57,500	-	60,516
DEFERRED EXPLORATION COSTS				
Drilling	34,140	144,743	-	178,883
Sampling	6,475	29,209	-	35,684
Feasibility	-	69,684	-	69,684
Geological and geophysical	35,659	231,144	40,538	307,341
Permitting	4,583	730	-	5,313
Impairement and abondonment	-	-	(40,538)	(40,538)
Balance, September 30, 2010	3,629,210	533,010	-	4,162,220

The Corporation has accrued approximately $208,772 (2009 - $250,676) in government assistance receivable related to eligible expenditures in the province of Québec as at September 30, 2010. The Corporation receives this assistance in the form of refundable tax credits from the Québec Provincial Government and mining duties returns from Québec Ministry of Natural Resources. During the nine months ended September 30, 2010, $41,904 (2009 - $nil) in government assistance was received.

TAWSHO MINING INC.
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For the nine months ended September 30, 2010

7. RESULTS OF OPERATIONS

SUMMARY OF QUARTERLY RESULTS FOR EIGHT MOST RECENT QUARTERS

	Q4 2008 $	Q1 2009 $	Q2 2009 $	Q3 2009 $	Q4 2009 $	Q1 2010 $	Q2 2010 $	Q3 2010 $
Total Assets	7,475,845	7,849,542	7,352,145	7,297,029	7,165,218	7,059,636	6,998,575	6,955,701
Working Capital	4,703,096	4,032,317	3,741,162	3,511,187	3,522,061	3,352,766	3,150,564	2,643,455
Shareholders' Equity	7,389,479	7,083,088	6,592,342	6,624,840	6,682,598	6,611,391	6,564,405	6,484,290
Revenues	18,539	6,024	362	252	4,099	1,723	2,433	4,483
Net (loss) before taxes	(101,309)	(62,507)	(165,746)	(68,218)	(117,767)	(110,993)	(90,985)	(123,735)
Net (loss) Income	(101,309)	262,493	(165,746)	14,782	(340,191)	(85,693)	(79,785)	(96,535)
(Loss) Income per common share, basic and diluted	(0.0280)	0.0116	(0.0073)	0.0007	(0.0150)	(0.0038)	(0.0035)	(0.0043)

Three months ended September 30, 2010 and September 30, 2009

The Corporation reported net loss of $96,535 or $0.0043 net loss per common share, basic and diluted, in the third Quarter of 2010 compared to a net income of $14,782 or $0.0007 net income per common share, basic and diluted in the third Quarter of 2009.

The Corporation's only source of revenue for the third Quarter of 2010 was interest income of $4,483 compared to $252 for the same period of 2009.

The total expenses have increased by about $60,000 or 87% from $68,470 in the third quarter of 2009 to $128,218 in the third quarter of 2010. Part of that increase in total expenses, is $40,538 impairment of the Mali mining property as per management decision not to pursue the concession due to the high risks of the project.

The total of both management fees and wages have increased about $17,000 or 63% from $27,072 ($6,500+$20,572) in the third quarter of 2009 to $44,135 ($42,750+1,385) in the third quarter of 2010 for engaging both a company owned by the president and by the Corporation's shareholder for consulting services.

7. RESULTS OF OPERATIONS (continued)

Professional fees have increased about $3,500 or 50% from $6,509 in the third quarter of 2009 to $9,858 in the third quarter of 2010. Part of the increase is due to higher legal fees related to registration and mining activities.

Nine months ended September 30, 2010 and September 30, 2009
The Corporation reported net loss of $262,013 or $0.0116 net loss per common share, basic and diluted, for the nine months ended September 30, 2010 compared to a net loss of $213,471 or $0.0095 net loss per common share, basic and diluted, for the same period ended June 30, 2009. Net loss has increased by about $48,000 or 23% for the nine months ended September 30, 2010 compared to the nine months ended Septembers 30, 2009.

The Corporation's only source of revenue for the nine months ended September 30, 2010 was interest income of $8,640 compared to $6,637 for the nine months ended September 30, 2009.

Total expenses have overall increased by about $30,000 from $303,108 for the nine months ended September 30, 2009 to about $334,353 for the same period of ended September 30, 2010.

Included in total expenses for the nine months ended September 30, 2010, is a $38,770 increase of stock-based compensation expenses compared to $28,738 for the nine months ended September 30, 2009.

Also included in total expenses is a $40,538 impairment of the Mali mining property as per management decision not to pursue the concession due to the high risks of the project.

The total of both management fees and salaries have increased about $55,000 or 70 % from $78,219 ($25,805+$52,414) for the nine months ended September 30, 2009 to $133,135 ($131,750+$1,385) for the nine months ended September 30, 2010. Included in that increase are the consulting fees paid to companies owned by both the president and a shareholder of the corporation and for hiring an executive staff.

Professional fees, on the other hand, went down by almost $70,000 from $122,970 in September 30, 2009 to $52,992 in September 30, 2010. The decrease is due to accounting fees incurred in 2009 for services of an external accountant. There were no comparable fees in 2010.

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, 2010	September 30, 2009	December 31, 2009
Working Capital	$ 2,643,455	$ 3,511,187	$ 3,522,061
Deficit	$ (1,995,657)	$ 1,740,948	$ 1,733,644

Total assets decreased by $341,328 or 4.7% from $7,297,029 as at September 30, 2009 to $6,955,701 as at September 30, 2010. Total assets decreased by $209,517or 3% from $7,165,218 as at December 31, 2009 to $6,955,701 as at September 30, 2010.

Current assets represent 40%, 51% and 50% of total assets as at September 30, 2010, September 30, 2009 and December 31, 2009 respectively. The current assets have decreased by $826,115 or 23% from $3,618,181 as at December 30, 2009 to $2,792,066 as at September 30, 2010. Funds were mainly used to acquire and explore mining assets, and to pay for the company expenses.

8. LIQUIDITY AND CAPITAL RESOURCES (continued)

As a result, mining assets have increased by $616,883 or 17.4 % from $3,545,337 as at December 30, 2009 to $4,162,220 as at September 30, 2010. This increase is consistent with the strategic acquisitions and continuing mining expenditures mainly in Whisker Valley and in Chervier properties.

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, except for the Mali property. As a result of that impairment, the previously deferred expenditures of $40,538 have been expensed. The balance sheet values may not represent those which could be obtained if the properties were to be offered for sale at this time.

The Corporation has working capital surplus of $ 2,643,455, $3,511,187 and $3,522,061 as at September 30, 2010, September 30, 2009 and December 31, 2009 respectively. The only current liabilities are those related to Accounts payable and accrued liabilities.

The Corporation continues its operating and investing activities relying solely on equity.
The Corporation deficit has increased by $262,013 or 3.7% from $1,733,000 as at December 31, 2009 to $1,995,657 as at September 30, 2010.

9. RELATED PARTY TRANSACTIONS

An amount of $4,098 (2009: $2,100), payable to the corporation wholly owned by a spouse of a director for bookkeeping services is included in accounts payable and accrued liabilities at September 30, 2010. Also included in accounts payable and accrued liabilities are $8,004 (2009: $nil) payable to a company wholly owned by the Corporation's shareholder for services of an officer, $3,591 (2009: $nil) payable to a director of the Corporation, and $5,650 (2009: $nil) payable to a corporation wholly owned by the president of the Corporation. These balances are unsecured, non-interest bearing with no fixed terms of repayment. During the nine months ended September 30, 2010, the following transactions occurred:

a) Included in management fees is an amount of $40,000 (2009: $nil) paid to the president of the Corporation for consulting services
b) Included in management fees is an amount of $63,750 (2009: $nil) paid to a company wholly owned by the Corporation's shareholder for services of an officer
c) Included in management fees is an amount of $19,500 (2009: $13,000) paid to a company wholly owned by a spouse of a director
d) Included in management fees is an amount of $nil (2009: $12,000) paid to a company wholly owned by a director
e) Included in management fees is an amount of $nil (2009: $6,090) paid to an officer
f) Included in mining assets is an amount of $3,000 (2009: $nil) paid to a director
g) Included in mining assets is an amount of $nil (2009: $1,602) paid to an officer

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.

10. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Corporation's significant accounting policies are described in Note 2 of the annual audited consolidated financial statements for the year ended 31, 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.

Principles of Consolidation
These interim unaudited consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary, Tawsho Mali. All significant inter-company transactions have been eliminated.

10. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (continued)

Future Accounting Changes

(a) International Financial Reporting Standards ("IFRS")
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.

The Corporation continues to monitor the developments in the IFRS and to assess their impact on the opening balance sheet.

The Corporation has concluded that the following IFRS pronouncements are expected to be relevant to the Corporation's results of operations, financial position and disclosures:

• IFRS 1 – First-Time Adoption of International Financial Reporting Standards
• IFRS 2 – Share-Based Payment
• IFRS 3 – Business Combinations
• IFRS 6 – Exploration for and Evaluation of Mineral Resources
• IAS 16 – Property, Plant and Equipment
• IAS 23 – Borrowing Costs
• IAS 36 – Impairment of Property, Plant and Equipment
• IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

First-Time Adoption of IFRS

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions in certain areas to the general requirement for a full retrospective application of IFRS. Management has analyzed the various accounting policy choices available and will implement those determined to be the most appropriate for the Corporation, which at this time are summarized as follows:

• Business Combinations – IFRS 1 would allow the Corporation to use the IFRS rules for business combinations on a prospective basis rather than re-stating all business combinations as of January 1, 2010. The IFRS business combination rules converge with the new CICA Handbook section 1582 that is also effective for the Corporation on January 1, 2011; however, early adoption is permitted. Based on current plans for the Corporation, there are no foreseen issues as a result of the conversion to IFRS. Management will continue to monitor business activities closely as final policy choices are made.

• Property, Plant and Equipment ("PP&E") – IFRS 1 provides the option to value the PP&E assets at their deemed cost being the Canadian GAAP net book value assigned to these assets as at the date of transition, January 1, 2010.

• Share-Based Payments – IFRS 1 allows the Corporation an exemption on IFRS 2 with respect to equity instruments which vested before the Corporation's transition date to IFRS.

10. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (continued)
Future Accounting Changes (continued)

Other IFRS Considerations
• Impairment of PP&E assets – Under IFRS, impairment of PP&E must be calculated at a more granular level than what is currently required under Canadian GAAP. Impairment calculations will be performed at the cash generating unit level using either total proved or proved plus probable reserves.
• IT systems – the Corporation has evaluated its IT systems in order to be ready for IFRS reporting. The modifications to the IT systems as a result of the conversion are not expected to be significant.

(b) 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 consolidated financial statements.

(c) 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 consolidated financial statements.

11. CRITICAL ACCOUNTING ESTIMATES
The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates. Examples of significant estimates include:

- Recoverability of interests in mining assets
- Estimated useful lives of equipment
- Future costs associated with environmental remediation and site restoration matters
- Fair value of financial instruments
- Valuation of tax accounts
- Valuation of stock-based compensation
- Valuation of warrants

These estimates and valuation assumptions are based on present conditions and management's planned course of action, as well as an assumption about future business and economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

12. FINANCIAL INSTRUMENTS
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, term deposits, goods and services tax and Quebec sales tax receivable, mining tax credits receivable and accounts payable and accrued liabilities approximate fair value because of the limited term of these instruments.

12. FINANCIAL INSTRUMENTS (continued)
Fair value (continued)

Section 3862 "Financial Instruments – Disclosures" establishes a fair value hierarchy that prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the balance sheet. These have been prioritized into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

Fair Value Hierarchy and Liquidity Risk Disclosure
At September 30, 2010, the Corporation's financial instruments that are carried at fair value, consisting of cash and cash equivalents and term deposits, have been classified as Level 1 within the fair value hierarchy.
The Corporation's risk exposures and the impact of the Corporation's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Interest rate risk
The Corporation has cash and cash equivalent balances, term deposits and no 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 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 goods and services tax, Québec sales tax, tax credits receivable from the Government of Canada and Québec and account payable.

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 favorable. 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.

Foreign currency risk
As at September 30, 2010, the Corporation holds USD$6,556. The balance is too small to give rise to exposure to foreign exchange risk.

Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" over a twelve-month period:

(i) The Corporation does not hold significant balances in foreign currencies that give rise to exposure to foreign exchange risk;
(ii) Price risk is remote since the Corporation is not a producing entity;
(iii) The Corporation does not hold interest bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.

13. 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.

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.

13. RISKS AND UNCERTAINTIES (continued)

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.

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 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 Joseph Feldman, President and CEO, and Zoran Arandjelovic, Chairman. Given Tawsho's stage of development, the Corporations 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 common shares in the foreseeable future.

14. OFF – BALANCE SHEET ARRANGEMENTS
There are no off-balance sheet arrangements as at September 30, 2010.

15. SHARE CAPITAL AND CONTRIBUTED SURPLUS
The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at September 30, 2010 and November 27 2010, there are 22,687,249 of common shares and nil preferred shares issued and outstanding by the Corporation.
As at September 30, 2010 and November 27, 2010, the Corporation had nil share purchase warrants outstanding and 2,268,725 share options issued pursuant to the Corporation's Stock Option Plan.

15. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

The Corporation' contributed surplus is as follows:

		September 30, 2010		December 31, 2009
Balance, beginning of period	$	1,218,475	$	526,964
Stock-based compensation		45,916		81,781
Expiry of warrants, reallocation of valuation		214,895		609,730
Balance, end of period	$	1,479,286	$	1,218,475

16. COMMITMENTS

Under the Option Agreement with Rhino (Note 5 – Explorations Activities), the Corporation is committed to cash payments and the issuance of common shares totalling $1,350,000 and 1,525,000 respectively, as follows:

Date	Cash ($)	Shares (#)
April 8, 2011	75,000	125,000
April 8, 2012	125,000	200,000
April 8, 2013	250,000	400,000
April 8, 2014	500,000	800,000
April 8, 2015	-	-
April 8, 2016	200,000	-
April 8, 2017	-	-
April 8, 2018	200,000	-
	1,350,000	1,525,000

In addition, the Corporation is committed to spend $10,000 per annum and $2,050,000 in exploration expenditures under the Chamberlain and Option Agreements respectively as follows:

Option Agreement	Date	Amount ($)	Chamberlain Agreement	Date	Amount ($)
	April 8, 2011	250,000		October 15, 2011	10,000
	April 8, 2012	400,000		October 15, 2012	10,000
	April 8, 2013	600,000		October 15, 2013	10,000
	April 8, 2014	800,000		October 15, 2014	10,000
				October 15, 2015	10,000
		2,050,000			50,000

Under the Chamberlain Agreement, the company is committed to provide for 3% Net Smelter Returns royalty ("NSR") to Chamberlain, with the option to repurchase two-thirds of the NSR for CAD $2M. Under the Option Agreement, the Company is committed to provide for 3% Net Smelter Royalty (NSR) with the option to repurchase 1% for $$1,000,000.

17. 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 the drilling program is currently being evaluated. Since the analysis and interpretation of the parameters of the deposits show that mineralization is structurally controlled, Tawsho has undertaken a structural study to assist in the interpretation of drilling results and in targeting of 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.

18. SUBSEQUENT EVENTS

Abandonment of concession in Mali
Subsequent to September 30, 2010, the Corporation decided not to pursue the concession in Mali based on its assessment of the geological information and data received from its consultant. As a result, the Company expensed the capitalized deferred exploration expenditures of $40,538(2009, $nil).

Acquisition of Mineral claims
Subsequent to September 30, 2010, the Company entered into a letter agreement (the “Chamberlain Agreement”) with Roland Chamberlain (“Chamberlain”) dated October 15, 2010, to acquire a 100% ownership interest in the mineral claim blocks and any related license granted by the province of Newfoundland. These mineral claims are located in the Baie Verte Peninsula, Newfoundland, adjacent to the Company’s existing option rights acquired from Rhino Exploration Ltd.

The Chamberlain Agreement provides for a 3% Net Smelter Returns royalty (“NSR”) to Chamberlain, with the option for Tawsho to repurchase two-thirds of the NSR for CAD $2M. It also provides for the Company to spend $10,000 per annum for exploration expenditures starting October 15, 2011.

19. CONTROLS AND PROCEDURES

Evaluation of disclosure controls
The Corporation has evaluated the effectiveness of its disclosure controls and procedures and have concluded, that they are sufficiently effective to provide reasonable assurance that material information relating to the Corporation is made known to management and disclosed in accordance with applicable securities regulations.

Procedures and internal control over financial reporting
Internal control over financial reporting has been designed, based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), to provide reasonable assurance regarding the reliability of the Corporation’s financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The CFO has evaluated the effectiveness of the Corporation’s internal control over financial reporting using the framework designed as described above and based on this evaluation, the CEO and CFO have concluded that internal control over financial reporting was effective as of September 30, 2010.

Because of its inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect all misstatements. The Audit Committee of the Corporation has reviewed this MD&A, and the annual financial statements for the three and nine months ended September 30, 2010, and the Corporation’s Board of Directors approved these documents prior to their release.

20. 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.

21. 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. Ms. Elizabeth A. Vida, P. Geo, is the Corporation’s Qualified Person for the Whisker Valley property in Newfoundland. The MD&A has been reviewed by Dr. Michael Avedesian, CEO and a Director of the Company.

November 27, 2010