MICREX DEVELOPMENT CORP.
Management Discussion and Analysis

The following discussion was prepared December 18, 2012, of the financial condition, changes in financial condition and results of operations of the Corporation for the year ended August 31, 2012 should be read in conjunction with the financial statements of the Corporation and related notes included therein.

Forward-Looking Information

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Micrex Development Corp. ("Micrex" or the "Corporation") that are based on the beliefs of management as well as assumptions made by and information currently available to the Corporation. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Corporation or its management, are intended to identify forward-looking statements. Such forward-looking statements relate to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Corporation's exploration properties. Such statements reflect the current views of the Corporation with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Corporation to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Specific forward looking statements include:

- putting Burmis and Quebec properties into production. Risks include delay or failure to obtain government permits, technical problems in operations, failure to raise sufficient funds to put the property into production, failure to enter into commercially acceptable supply or sale agreements, and failure to enter into a satisfactory agreement with the co-owners of the property;

- requirement of the Corporation to raise additional equity or sell property interests to raise sufficient capital to continue operations. Risks include the failure to raise such equity due to market conditions or otherwise and failure to find interested parties willing to enter into commercially acceptable agreements.

Overall Performance

The Corporation continues its focus as a natural resource corporation with interest in precious metal, industrial minerals and rare earth properties located in Alberta, Quebec, B.C. and New Mexico. The Corporation focuses the majority of its attention on the proving up of prospective properties as exploration dollars can be focused in a direct manner. Active exploration for undiscovered resources is, at present, not a priority. The Corporation is interested in properties which have a demonstrated resource, usually through historical production or testing by credible authorities such as Government Geological Survey personnel. The Corporation gives high priority to those properties which can be brought to production with relatively low cost and in a timely manner.

One gold exploration property is located in British Columbia and has excellent potential for future development. The Burmis Magnetite property is at the permitting stage. The Corporation has two gold properties in New Mexico. The Corporation's Quebec property is at the stage where magnetite and titanium production will be commenced as soon as a firm purchase order is received.

The Corporation is in the middle of the permitting process for its Alberta magnetite property. The Corporation is involved in a long and complicated government process to obtain a mining permit for its

Burmis property. The Corporation and its consultants believe that such permit will be granted, but there is no assurance as to when or if that may happen.

Year Ended August 31, 2011

Results of Operation

During the year ended August 31, 2011, the Corporation incurred a loss of $874,449. Principal activities included the continued permitting process at Burmis, seeking customers for magnetite from the Quebec deposit and undertaking a drill program on the Quebec property. The Corporation had no revenue. General and administrative expenses amounted to approximately $479,229, including wages in the form of consulting fees. Amortization was $3,543, and there was stock based compensation expense of $391,677.

Liquidity and Capital Resources

As at August 31, 2011 the Corporation had 52,079,757 common shares outstanding. 7,741,500 shares were issued during the year in 2 private placements of units, 6,186,000 at $0.10 and 1,555,500 at $0.20. 1,189,800 warrants were exercised. 2,800,000 flow through units were issued at $0.25 per unit. In addition 225,000 shares were issued in return for a property interest at a deemed cost of $45,000. The Corporation had cash and cash equivalents of $729,640 and accounts receivable of $13,632. Like all mineral exploration companies, until production can be achieved, the Corporation is reliant on raising equity or selling property interests to continue operations.

Additional capital will need to be raised for additional exploration programs on the Corporation's properties. The amount and timing of such will depend upon the results of current exploration programs and market conditions at the time.

Year Ended August 31, 2012

Results of Operation

During the year ended August 31, 2012, the Corporation incurred a loss from operations of $735,030, recorded interest income of $1,682, and a gain upon the settlement of flow-through obligations of $140,000 for a total net and comprehensive loss of $593,348. The Corporation had no revenue other than the nominal interest referred to above. General and administrative expenses amounted to approximately $530,916, including wages in the form of consulting fees. Depreciation was $4,623, and stock based compensation was expensed at $199,490.

Liquidity and Capital Resources

During the year ended August 31, 2012, the Company closed a non-brokered private placement on October 4, 2011 by issuing 555,000 units at $0.20 per Unit, each Unit consisting of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to subscribe for one additional share at an exercise price of $0.27 for one year after the closing date. The proceeds of $111,000 were used to further the Corporation's exploration program on its Quebec properties.

As at August 31, 2012 the Corporation had 57,487,439 common shares outstanding. During the year a total of 5,407,682 shares were issued. 555,000 shares ($111,000) were issued as part of a unit private placement. 346,154 shares were issued for $45,000 as the yearly option payment on the Quebec Magnetite property. In addition, 1,004,200 shares were issued on the exercise of warrants for proceeds of $144,530, and 4,057,328 shares were issued on a private placement basis for proceeds of $636,349. Proceeds were used for working capital and property development.

Quarter Ended August 31, 2011

Results of Operation

During the quarter ended August 31, 2011, the Corporation incurred a loss of approximately $189,026. The Corporation had no revenue. General and administrative expenses amounted to approximately $162,583, including wages in the form of consulting fees. Amortization was $1,957 and stock based compensation was recorded as $24,486.

Liquidity and Capital Resources

As at August 31, 2011 the Corporation had 52,079,757 common shares outstanding. During the period a total of 4,035,000 shares were issued. 225,000 shares were issued for $45,000 as the yearly option payment on the Quebec Magnetite property. 2,800,000 shares ($560,000) were issued on a flow through basis. In addition, 1,010,000 shares were issued on the exercise of warrants for proceeds of $147,750. Proceeds were used for working capital and property development.

Quarter Ended August 31, 2012

Results of Operation

During the quarter ended August 31, 2012, the Corporation incurred a net and comprehensive loss of $231,595. Principal activities included additional exploration on and seeking customers for magnetite from the Quebec deposit. General and administrative expenses amounted to approximately $214,110, including wages in the form of consulting fees. Depreciation was $1,156, and there was stock based compensation equal to $78,762.

Liquidity and Capital Resources

During the period the Corporation issued 346,154 shares ($45,000) to earn an additional 2% interest in the St. Charles property. At August 31, 2012, the Corporation had cash on hand of $91,478 and accounts receivable of $25,394. Like all mineral exploration companies, until production can be achieved, the Corporation is reliant on raising equity or selling property interest to continue operations.

Additional capital will need to be raised for additional exploration programs on the Corporation's properties. The amount and timing of such will depend upon the results of current exploration programs and market conditions at the time. The Corporation's ability to continue to fund its operations depends upon its ability to sell shares to raise equity both on a flow-through and non flow-through basis as it has no source of revenue.

Outlook

The Corporation has no long term debt or leases. It plans to raise the funds necessary to put the Burmis and Quebec properties into production with a combination of debt and equity. The total funds estimated to be raised in this respect is approximately $1,500,000 for Burmis, and $2,500,000 for Quebec.

For 2013, the Corporation plans to continue to focus its efforts on its Quebec and Burmis Magnetite property. The Alberta permitting process has been slow and expensive, but it appears to be nearing the end. In Quebec several potential customers have expressed interest in the magnetite, but none have yet placed a firm order large enough to justify going into production. Parties are interested in the rare earth elements present in the Quebec property. Progress has been made towards getting these deposits into production, and the Corporation anticipates receiving production revenue during the 2013 calendar year.

With a continuing strong gold price, the Corporation is planning to conduct further exploration on its Big Horn gold property if capital becomes available. Its New Mexico properties continue to attract attention from third parties looking to participate or acquire the same.

Risk Factors

(a) Operating History

The business of the Corporation should be considered highly speculative due to its present stage of development. The Corporation has limited cash and other assets, no revenue and a limited business history.

(b) Mining Operations

Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Further, most of the properties of the Corporation (the "Properties") have no known commercial reserves. There is no assurance that further commercial quantities of ore will be discovered by the Corporation. Except for the magnetite properties, none of the Properties contain a known body of commercial ore and any exploration programs thereon are exploratory searches for commercial ore, which increases the degree of risk substantially as compared to properties in the development stage. In addition, some of the Properties may be difficult or impossible to access during periods of inclement weather, which are risks normally encountered by most industry participants.

Mineral exploration and development involve significant risks and few properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of minerals will be discovered on the Properties nor is there any guarantee that the exploration programs thereon will yield positive results. The discovery of mineral deposits depends upon a number of factors, not the least of which is the technical skill for the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Corporation. These factors include government regulation, high levels of volatility in market prices, availability of adequate transportation and refining facilities and the imposition of new, or amendments to existing, taxes and royalties. The effect of these factors cannot be accurately predicted.

Whether a mineral deposit once discovered will be commercially viable also depends on a number of factors some of which include the particular attributes of the deposit, such as size, grade and proximity of infrastructure, as well as metal prices, which are highly cyclical. Most of the above factors are beyond the control of the Corporation. The Corporation must also compete with a number of companies that have greater technical or financial resources. The Corporation is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery.

(c) Government Regulations and Market

Mining operations are subject to government regulation. Operations may be affected in varying degrees by government regulation such as restrictions on production, price controls, tax increases, expropriation of property, environmental and pollution controls or changes in conditions under which minerals may be marketed. Should the Corporation be unable to obtain the necessary regulatory approvals, or should obtaining or complying with the terms of the necessary approvals require funds in excess of the resources of the Corporation, the development of the Properties may be delayed.

An excess supply of certain minerals may exist from time to time due to lack of markets and restrictions on exports. The marketability of both base and precious metals will be affected by numerous factors beyond the control of the Corporation. These factors include market fluctuations and government regulations relating to prices, taxes, royalties, allowable production and importing and exporting minerals. The effect of these factors cannot be accurately determined.

(d) Conflicts

The directors of the Corporation are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Corporation. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act* (Alberta) which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act* (Alberta).

(e) Need for Additional Funds

The Corporation has limited financial resources and has no assurance that additional funding will be available to it for further exploration and development of its projects. 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. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. If financing is raised through the issuance of shares from the Corporation's treasury, control of the Corporation may change and investors may be subject to further dilution.

(f) Operating Hazards and Environmental Liabilities

The operations to be conducted by the Corporation will be subject to all of the operating risks normally attendant upon mineral exploration and development. The Corporation carries basic liability insurance with other insurance needs met on a project by project basis.

The Corporation may become subject to liability for destruction of mineral properties or facilities, personal injury, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment for such liabilities would reduce the funds available for exploration and mining activities, and may have a material adverse effect on the Corporation's financial position.

(g) Industry Conditions

The mining industry is highly competitive and the Corporation must compete with many companies with greater financial strength and technical resources. Generally, there is intense competition for the acquisition of resource properties considered to have commercial potential. Prices paid for minerals produced are subject to market fluctuations and will directly affect the profitability of producing any mineral reserves which may be developed by the Corporation. Mining operations, including exploration, are subject to extensive government regulation. Operations may be affected from time to time in varying degrees by political and environmental developments, such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls and changes in conditions under which certain minerals may be exported.

(h) Foreign Jurisdiction

Certain of the Properties are located in foreign jurisdiction. The enforceability, certainty and permanence of laws in foreign countries are not always like that in Canada. The Corporation's title to its foreign Properties, the right to work the same and to expatriate profits, if any, may be adversely affected. The Corporation is also at risk to adverse foreign exchange movements.

Mining operations in Canada, United States and elsewhere are subject to extensive regulation by local, provincial and federal governments. Future changes in governments and regulation could adversely affect mining in Canada and the United States. The development of mines and related facilities is contingent upon government approval which must be obtained through statutory review processes.

No current title opinion or report has been obtained regarding the Properties. The Properties may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects.

Selected Financial Information

Annual Financial Data for the Three Fiscal Years ended August 31, 2012

		August 31, 2012	**August 31, 2011**	**August 31, 2010**
1.	Net sales or total revenues	Nil	Nil	Nil
2.	Loss from continuing operations in total	$593,348	$874,449	$466,681
	Loss per share	$0.011	$0.019	$0.012
3.	Loss in total	$593,348	$874,449	$466,681
	Net loss per share on a fully diluted basis	$0.011	$0.019	$0.012
4.	Total assets	$5,005,093	$4,738,194	$3,860,329
5.	Total long-term financial liabilities	Nil	Nil	Nil
6.	Cash dividends declared	Nil	Nil	Nil

As the Corporation is a mineral exploration company which has never recorded any mining production operations or revenue, the above annual figures are not particularly significant, other than to indicate the amount of the expenditures by the Corporation on exploration work in each of the years. The figures represent variances in the Corporation's levels of activity which, in turn, has been largely dictated by the amount of funding which the Corporation has had available from time to time to expend on exploration.

Summary of Quarterly Results

Two Year Quarterly Financial Data

2011	Nov. 30/10	Feb 28/11	May 31/11	Aug 31/11
Total Revenue ($)	Nil	Nil	Nil	Nil
Total Income (loss) ($)	(112,315)	(215,040)	(358,068)	(189,026)
Income (loss) per share ($)	(0.003)	(0.005)	(0.008)	(0.003)

2011	Nov 30/11	Feb 29/12	May 31/12	Aug 31/12
Total Revenue ($)	$1,682	Nil	Nil	Nil
Total Income (loss) ($)	(54,948)	(253,765)	(53,040)	(231,595)
Income (loss) per share ($)	(0.001)	(0.005)	(0.001)	(0.004)

Transactions with Related Parties

During the period Micrex recorded $150,000 (2011 - $150,000) to Stan Marshall, president and a director for consulting and management services provided.

The Corporation also paid legal fees of $40,985 (2011 - $44,467) to a law firm of which the corporate secretary is a partner.

The above transactions occurred in the normal course of operations and are recorded at the exchange amount which represents the consideration established and agreed to by the related parties.

Outstanding Share Data

As at August 31, 2012 the following shares, warrants and options are outstanding:

57,487,439 common voting shares.

Management and Directors' Options Outstanding

Number	Exercise Price	Expiry Date
241,764	0.18	February 22, 2013
234,556	0.10	January 2, 2014
565,000	0.10	July 6, 2014
870,000	0.17	April 15, 2015
746,000	0.11	October 18, 2015
375,521	0.22	January 6, 2016
968,570	0.24	March 24, 2016
381,484	0.16	December 19, 2016
578,452	0.10	April 24, 2017
787,616	0.10	July 16, 2017

The following warrants were also outstanding at the date hereof:

Number of Warrants	Exercise Price	Expiry
1,400,000	$0.32	01/18/2013
196,000	$0.25	01/18/2013
277,500	$0.27	04/04/2013
4,908,200	$0.15	10/07/2013
277,520	$0.30	01/10/2014
1,045,668	$0.30	09/12/2014

Critical Accounting Policies

International Financial Reporting Standards (IFRS)

The Company's financial statements for the year-ending August 31, 2012 are the first annual financial statements that will be prepared in accordance with IFRS, IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was September 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be August 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

Optional Exemptions

The IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GASP to IFRS are as follows:

Business Combinations

The Company elected not to retrospectively apply IFRS 3 Business Combinations to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

Share-based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Compound Financial Instruments

The Company has elected not to retrospectively separate the liability and equity components of compound instruments for which the liability component is no longer outstanding at the date of transition to IFRS.

Mandatory Exceptions

Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

Reconciliations of Pre-Changeover Canadian GAAP Equity and Comprehensive Income To IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position and statements of comprehensive income have resulted in reclassifications of various amounts on the statements of cash flows, however as there have been no material adjustments to the net cash flows has been prepared.

Multilateral Instrument 52-109 Disclosure Evaluation
Evaluation of Disclosure Controls and Procedures

Micrex 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.

Additional Disclosure

	August 31, 2011 $	**August 31, 2012 $**
Consulting fees and sub-contracting fees	321,017	335,771
Stock based compensation	391,677	199,490
Professional fees	101,647	155,349
Total general and administrative costs	479,229	530,916

Deferred Exploration and acquisition costs, by property:	**August 31, 2011 $**	**August 31, 2012 $**
Big Horn Mine	869,231	901,335
Burmis Magnetite Deposit	2,494,463	2,500,195
Quebec Deposit	610,521	1,337,411
Deadwood	--	133,476
Accumulated deferred exploration and acquisition total	3,974,215	4,872,417

Further information with respect to the Corporation can be found on its website at www.mixcorp.com and on the SEDAR website.