INLET RESOURCES LTD.

INL-V

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended December 31, 2009

Directors and Officers as at April 15, 2010:

Directors:	David Baker Earl Terris Harvey Lawson
Officers:	President – David Baker CFO – Vivian Gu
Contact Name:	David Baker
TSX Venture Exchange Symbol:	INL

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Form 51-102-F1

INLET RESOURCES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended December 31, 2009

1.1 Date of This Report

April 15, 2010.

1.2 Overall Performance

Description of Business

Inlet Resources Ltd. (the "Company") is a publicly listed company that trades on the TSX Venture Exchange as a junior resource company with a focus on acquiring mineral projects that will provide the opportunity to enhance shareholder value.

During the year ended December 31, 2006, the Company consolidated its share capital on a 30 old for 1 new basis. The name of the Company was unchanged.

Effective at the opening January 11, 2006, shares of the Company commenced trading on TSX Venture Exchange under the new trading symbol "INL". The Company is now classified as a "Resource" company.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	December 31, 2009	December 31, 2008	December 31, 2007
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	$149,194	$359,883	$236,592
(ii) Loss per share - basic	$0.02	$0.03	$0.04
(iii) Loss per share - diluted	$0.02	$0.03	$0.04
(c) Net loss			
(i) Total loss	$149,194	$359,883	$236,592
(ii) Loss per share - basic	$0.02	$0.03	$0.04
(iii) Loss per share - diluted	$0.02	$0.03	$0.04
(d) Total assets	$2,714,163	$1,789,902	$1,781,418
(e) Total long-term liabilities	N/A	N/A	N/A
(f) Cash dividends declared per-share	N/A	N/A	N/A

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the financial statements of the Company and notes attached hereto.

Mineral Properties

Broken Hill-Leo property

On September 26, 2006, the Company entered into an option agreement with Timer Explorations Inc. (“Timer”, name changed to Potash North Resource Corp.), a company related by common directors, to acquire a 50% interest in the Broken Hill-Leo property, located approximately 150 kilometers north-north east of Kamloops, British Columbia.

The property comprises 133 claims (3,325 hectares) located near the village of Avola, and covers a 9-kilometer strike extent of carbonate stratigraphy with numerous zinc-lead-silver showings and occurrences. In June 2005 Timer conducted a 5-hole drill program to test two of several occurrences (the Vista and Paulter showings), which resulted in narrow intercepts of zinc mineralization being drilled, including 5.88% zinc over a drill width of 0.83m. The claims are located approximately 15 kilometers west of the Ruddock Creek property where Selkirk Metals Corp. (TSX-V: SLK) recently announced a drill hole intercept of 15.79% zinc and 3.33% lead over 14.05 meters.

Under the terms of the Option Agreement, the Company must complete an initial $50,000 work program prior to December 31, 2006 (incurred $49,938 as at December 31, 2006) and a further $150,000 work program by August 31, 2007 to earn the 50% interest in the clams. The report on the initial program has been received, covering the results of mapping, soil/rock sampling, trenching and ground geophysics to further explore the known showings and define new target areas for drilling.

The Company had not completed the required expenditures as at August 31, 2007 and Timer received a notice of Default of Agreement on September 6, 2007. On October 9, 2007, the Company received an Amended Notice of Default that extends the default period to December 31, 2007, and the Company made a $15,000 deposit to the optionor pursuant to the Amended Notice of Default.

In January and March 2008, the Company made a $5,000 payment to the optionor to extend the default period.

On April 23, 2008, Timer signed an Amended Option that requires Timer to complete a $125,000 work program on the property by November 2, 2008 in order to keep the option in good standing and to make advance royalty payments of $5,000 each subsequent year to the optionor until $100,000 has been paid.

On April 23, 2008, the Company, through a board resolution, extended the option agreement with Timer pursuant to the Amended Option. Under the extended option agreement, the Company may earn a 50% interest in Broken Hill-Leo property by sharing 50% of the $125,000 required work program expenditures (incurred as of December 31, 2008) and funding 50% of the advance royalty payments of $5,000 each subsequent year to the optionor until a total $100,000 has been paid.

In December 2009, Timer sold their 50% interest to Monster Uranium Corp. ("Monster"). Monster will assume the responsibilities of Timer and make 100% of the advance royalty payments of $5,000 a year.

Exploration and developments updates

A $125,000 exploration program started in late September 2008 which encompasses line cutting, prospecting, rock and soil sampling, trenching in the area of the Navan and Mike showings and 2000 metres of diamond drilling and core sampling in order to better establish the extent of the mineral showings and to define the economic potential of the property. Necessary work permits were received from the BC Government.

The drilling program was completed on Oct 10, 2008, with seven holes completed. The initial focus of the drilling was on the Mike and Denis showings to test for economic concentrations in bedrock of zinc, lead and silver mineralization and to followup on soil geochemistry anomalies and prospecting finds. Also targeted was stratigraphy between and on the Navan and Paulter showings which are a kilometre apart. Drilling targeted the Paulter showing where 5.88% zinc was reported from previous drilling in the area.

All "significant" mineralized intersections have been sampled and the samples with blanks and standards went to Ecotech Analytical laboratories in Kamloops for ICP analyses and if warranted zinc assay and gold analyses. All disturbed areas have been reclaimed.

After reviewing the results and recommendations from the 2008 program, management will be considering appropriate follow-up measures for the property. The drilling results were generally disappointing although there were minor intersections of zinc and copper sulphides which may warrant further evaluation. Trenching failed to reach bedrock or encounter additional mineralized boulders. A phased program of geophysics and geology followed by drilling has been recommended to identify possible targets in new areas of the property and this will be considered by management.

Discussion of Operations and Financial Condition

Results of Operations

The loss for the year ended December 31, 2009 was $149,194 as compared with a loss of $359,883 for the year ended December 31, 2008. During the current year, the Company recognized $100,545 future income tax recovery (2008- $78,489 future income tax expense). The Company also recorded $726,455 unrealized gain during the current year (2008 - $547,911 unrealized loss) in value of short term investment as other comprehensive income, which is not included in the net loss.

The details of the expenses discussed above are as follows:

	31-Dec-09	31-Dec-08	Increase/ (Decrease)
Amortization	$ 2,480	$ 2,480	$ -
Consulting & administration	68,462	83,850	(15,388)
Management fees	53,000	48,000	5,000
Professional fees	44,759	63,586	(18,827)
Rent, telephone, office expenses	52,094	63,871	(11,777)
Shareholders' communication	8,893	17,195	(8,302)
Transfer agent & regulatory filing fees	20,051	17,974	2,077
Total General & administrative	$ 249,739	$ 296,956	$ (47,217)

Consulting fees for the current period include services related to corporate and administration, shareholder communications, and computer and website. Shareholder communication fees consist of the fees paid to the Company spokespersons that handle all shareholder calls, maintain the company mailing list, and handle all company mail-outs. The Company also retains a consultant for maintenance of the Company's website. Filing and transfer agent fees include fees paid to the TSX Venture Exchange and the B.C. and Ontario Securities Commissions, SEDAR filings, and fees paid to Computershare Trust Company of Canada and the Minister of Finance.

Investor Relations Activities

The Company currently has no formal arrangements with respect to investor relations. During the period, the Company responded to investor inquiries and conducted shareholder and investor mailouts. The Company has assigned spokespersons responsible for responding directly to all investor inquiries and for conducting shareholder and investor mailouts. (See above for costs related to shareholder communications).

Financings, Principal Purposes & Milestones

On January 23, 2009, the Company completed a non-brokered private placement involving the issuance of 4,000,000 units of the Company at a price of $0.06 per unit for gross proceeds of $240,000. Each unit is comprised of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable into one additional common share of the Company for a period of two years from the closing date of the private placement at an exercisable price of $0.10. No finder's fees or commissions were paid in connection with this private placement.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q4 31-Dec-09	Q3 30-Sept-09	Q2 30-Jun-09	Q1 31-Mar-09
Net Income (loss)	$15,414	($48,775)	($50,909)	($64,924)
Per Share	0.00	(0.00)	(0.01)	(0.01)
	Q4 31-Dec-08	Q3 30-Sept-08	Q2 30-Jun-08	Q1 31-Mar-08
Net (loss)	($163,741)	($59,838)	($79,392)	($56,912)
Per Share	(0.02)	(0.00)	(0.01)	(0.00)

1.6 Liquidity

The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. The Company will require additional financing to fund any property acquisitions as well as exploration programs on any properties it acquires. As at December 31, 2009, the Company's working capital was $2,545,856 (compared to $1,613,115 at December 31, 2008). The ability of the Company to successfully acquire and develop properties in the resource sector is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding stock options and warrants, or arranging other equity financing, and/or finalizing a joint venture agreement with a partner(s) who will be able to assume the costs of recommended exploration programs. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions or finding a joint venture partner will be possible at the times required or desired by the Company.

1.7 Capital Resources

The Company entered into an option agreement with Timer Explorations Inc. ("Timer") to acquire a 50% interest in the Broken Hill-Leo property, located approximately 150 kilometers north-north east of Kamloops, British Columbia., as detailed in Section 1.4 "*Results of Operations*."

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

All related party transactions and amounts owing are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company retains the services of certain directors and officers. Management fees, consulting fees, and accounting fees are as follows:

	2009	2008
Management fees	**$ 53,000**	$ 48,000
Consulting fees	**36,750**	30,000
Accounting fees	**14,125**	10,500
Total	**$ 103,875**	$ 88,500

In the year ended December 31, 2009, management fees of $53,000 (2008 - $48,000) were paid to the president, who is also a director, of the Company. Consulting fees related to shareholders' communication of $25,500 (2008 - $30,000) were paid to a company controlled by the spouse of the president. Consulting fees related to corporate planning and strategy of $11,250 (2008 - $Nil) were paid to a director. Accounting fees of $14,125 (2008 - $10,500) were paid to an officer.

At December 31, 2009, accounts receivable include the offices expenses paid on behalf of a company with common directors and management in the amount of $Nil (2008 – $1,301).

At December 31, 2009, prepaid expenses include $509 (2008 - $509) paid to companies controlled by a director for future expenses.

1.10 Fourth Quarter – 2009

The fourth quarter results do not differ significantly from other quarters, except for the recognizing of $100,545 future income tax recovery in net income as a result of the recording of unrealized gain on available-for-sale financial assets in other comprehensive income. $726,455 unrealized gain arising on available-for-sale investments has been recorded as other comprehensive income, which is not included in the net loss.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

N/A

1.13 Changes in Accounting Policies

The following accounting pronouncements are applicable to annual and interim periods beginning on or after January 1, 2009. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards.

i) CICA Section 3064 – Goodwill and Intangible Assets replacing Section 3450, Research and Development Costs. The new standard establishes guidelines for the recognition, measurement, presentation and disclosure of research and development costs.

ii) EIC-174, Mining Exploration Costs, provides guidance on the capitalization of exploration costs and the impairment review of exploration costs.

iii) Financial Instruments

In June 2009, the CICA issued amendments to Section 3862, "Financial Instruments – Disclosures" effective for the Company's December 31, 2009 financial statements. The amendments require the Company to classify and disclose financial instruments presented at fair value on the balance sheet based on a three-level fair value hierarchy that distinguishes between market value data obtained from independent sources and market value determined based on the Company's own assumptions about market value: Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities; Level 2 – Valuations based on quoted prices in active markets for similar assets or liabilities or valuation techniques where significant inputs are based on observable market data; and Level 3 – Valuation techniques for which any significant inputs are not based on observable market data. The section has also been amended to require additional liquidity risk disclosures.

Also in June 2009, the CICA issued amendments to Section 3855, "Financial Instruments – Recognition and Measurement" effective for the Company's December 31, 2009 financial statements. The amendments clarified the application of Section 3855 with respect to the effective interest method, reclassification of financial instruments with embedded derivatives, eliminated the distinction between debt securities and other debt instruments, and changed the categories to which debt instruments are required or are permitted to be classified.

EIC-172 and Restatement of Prior Periods

On August 28, 2008, the Emerging Issues Committee ("EIC") issued EIC-172, "Income Statement Presentation of a Tax Loss Carry-Forward Recognized following an Unrealized Gain Recorded in Other Comprehensive Income", wherein it recommended the recognition in net income of the tax benefit arising from the recognition of income tax loss carry-forwards consequent to the recording of unrealized gains on available-for-sale financial assets in other comprehensive income. The Company restated the net loss, deficit, and related components of other comprehensive loss for 2008 and the deficit and other comprehensive income for 2007 to reflect the recognition of the benefit of the application as follows:

	For the year ended December 31, 2008	
	Restated	Previously Reported
Net loss for the year	$ (359,883)	$ (281,394)
Deficit	(14,237,893)	(14,262,405)
Accumulated other comprehensive loss	(47,151)	(22,639)
Unrealized loss on available-for-sale investments	(547,911)	(626,400)
Loss per share	(0.03)	(0.02)

The comprehensive loss for 2008 is not affected. The amounts are merely reclassified between deficit and accumulated other comprehensive loss.

	As at December 31, 2007	
	Restated	Previously Reported
Deficit	$ (13,878,010)	(13,981,011)
Accumulated other comprehensive income	500,760	603,761

Future Accounting Pronouncements:

i) The CICA issued Section 1601 Consolidated Financial Statements. This new Section will be applicable to financial statements relating to the Company's interim and fiscal year beginning on or after January 1, 2011. Early adoption is permitted. This section establishes standards for the preparation of financial statements. The Company has not yet determined the impact of the adoption of this new section on the financial statements.

ii) International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly listed companies to use IFRS, replacing Canadian generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The changeover date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

The key elements, timing and status of the Company's changeover plan are outlined below:

- Develop internal knowledge to manage changeover, design systems and produce IFRS reports. Accounting staff have commenced upgrading their knowledge and will continue throughout the process.

- Review accounting policy changes that are required or are optional under IFRS on conversion and make choices where necessary. An internal review is being conducted for major differences between IFRS and Canadian GAAP, where it is likely to affect the Company. It is expected that this review will be completed in the second quarter. When these changes and proposed decisions have been made, the audit committee and board will be provided with the knowledge to evaluate the proposed changes.

- Prepare 2010 opening balance sheets and reconciliations of 2010 interim and year end statements to Canadian GAAP statements of the same periods. The target will be to prepare these statements as soon as practicable through 2010. It is expected that draft opening balance sheets will be prepared during the second quarter.

- Review internal control implication of new policies and changeover. Internal control implications are targeted to be determined before the changeover date of January 1, 2011.

- Review disclosure controls and procedures in light of change to IFRS. Disclosure controls and procedures implications will be determined before the changeover date of January 1, 2011.

- Review business implications of conversion such as compensation formulas and contract requirements. Target completion date is mid 2010. Business implications will be reviewed following completion of policy change review. No significant implications are anticipated.

1.14 Financial and Other Instruments

The carrying value of cash and cash equivalents and accounts payable approximate their fair values due to the short maturity of those instruments.

1.15 Other

Disclosure of Outstanding Share Capital (December 31, 2009)

	Number	Book Value
Common Shares	16,397,317	$16,021,450

Summary of incentive stock options:

Number of Shares	Expiry Date	Exercise Price Per Share
52,500	November 30, 2011	$0.24

Summary of warrants outstanding:

Number of Shares	Expiry Date	Exercise Price
4,000,000	January 22, 2011	$0.10

Other Information

Controls and Procedures

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.