

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Background**

The following discussion and analysis of financial position and results of operations, prepared as of January 25, 2012, should be read in conjunction with the Company's audited consolidated financial statements for the years ended September 30, 2011 and 2010, and related notes attached thereto. The financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). All amounts are stated in Canadian dollars, unless otherwise stated.

#### **Company Overview**

Concordia Resource Corp. ("Concordia" or the "Company"), formerly Western Uranium Corporation, was incorporated under the British Columbia Business Corporations Act on February 7, 2000. On April 5, 2011, the Company changed its name to Concordia Resource Corp. and changed the trading symbol on the TSX Venture Exchange to CCN. The Company is a natural resource company engaged in the acquisition and exploration of resource properties. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

All weight and linear amounts are presented as is and are not in thousands.

#### **Significant Events**

On January 13, 2012, Concordia completed the acquisition of Swala Resources Inc. ("Swala") by a court approved Plan of Arrangement (the "Arrangement"). Swala brings to Concordia an extensive exploration portfolio in the highly prospective regions of Burkina Faso, Gabon, the Democratic Republic of Congo, Zimbabwe and Mozambique with a land package totaling over 12,400 km<sup>2</sup>, as well as an experienced management team and directors with extensive expertise in Africa. The combined company will retain the Concordia name and remain headquartered in Vancouver, Canada. Swala became a wholly owned subsidiary of Concordia and the Swala Shareholders are now shareholders of Concordia, holding approximately 30% of the issued and outstanding shares of Concordia.

On November 17, 2011, the Company appointed Mr. Toby Mayo as President. Mr. Mayo was appointed Senior Vice President, Corporate Development of Concordia in March, 2011. Mr. Mayo has over fifteen years of comprehensive and varied experience in the mining and metals sector. He began his career with Rio Tinto as an Exploration Geologist. Prior to joining Concordia Resource Corp., Mr. Mayo worked as a Senior Technical Advisor and Consultant at Ivanhoe Mines Ltd, and was more recently Senior Consultant, Investment and Business Planning at Hatch Associates Ltd. in London.

On October 20, 2011, the Company signed an arrangement agreement (the "Agreement") with Swala. Under the Agreement, Concordia has agreed to acquire all of the issued and outstanding Swala securities pursuant to a plan of arrangement. Pursuant to the Agreement, Concordia agreed to fund existing exploration commitments in Burkina Faso so as not to lose valuable dry-season drilling and sampling time. This was done by subscribing for an unsecured promissory note of Swala in the principal amount of \$2,000.

In October 2011, the Company announced that it has entered into an Assignment Agreement with Tigris Uranium Corp. ("Tigris") whereby Tigris will acquire Concordia's Treeline project, which includes a sandstone hosted uranium deposit, located in McKinley and Cibola Counties, Grants Uranium District, New Mexico. In consideration for the assignment of the Treeline project, Concordia received 200 common shares of Tigris.

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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#### **Significant Events** (continued)

In September 2011, the Company received an authorization from the Directorate of Mines – Province of Jujuy to proceed with the drilling at its Providencia silver-copper project in northwestern Argentina. The property hosts silver-copper mineralization, and produced some five million ounces of silver between 1986 and 1997 from ore grading between 400-500 g/t silver.

In September 2011, the Company announced that it intends to focus its resources on the advancement of development stage projects in Burkina Faso, through its proposed acquisition of Swala, and at the 100% owned Providencia silver-copper project in Argentina. As part of a prioritization process the Company made the decision to suspend drilling on both the Baza copper/gold project in Spain and Albisu gold project in Nevada.

On August 31, 2011, the Company and Swala entered into a letter of intent, in which Concordia would acquire Swala via a share exchange.

In July 2011, the Company commenced core drilling at its 100% owned Albisu gold project, a grassroots discovery located in northern Nevada. The drilling has been designed to test potentially mineralized structures along the west side of the extensive low-grade gold mineralization identified in 2008 and 2009.

In July 2011, the Company announced that it had received results from confirmation sampling undertaken during the recently completed exploration campaign at its Providencia silver-copper project in northwestern Argentina. The results received from the channel sampling range up to 4,160 grams per tonne ("g/t") silver and 3.62 % copper, and the average unweighted values for channel samples collected from the Green Conglomerate Member are 657 g/t silver and 0.66 % copper.

In June 2011, the Company started drilling on the Baza Project in Spain. Up to five holes with an average depth of 300 meters were planned.

In June 2011, Concordia provided an exploration update on the Company's activities in Argentina. The Company completed the first stage of its exploration campaign at its Providencia silver-copper project in northwestern Argentina, and completed an environmental report on its Cerro Amarillo copper-gold property located in west central Argentina. The Company was in the process of finalizing an agreement to construct an access road to facilitate a drilling program.

Effective June 1, 2011, the Company appointed Karl Cahill as Vice President, Investor Relations. Mr. Cahill has been retained by Concordia in an investor relations capacity since February 2011.

On May 3, 2011 Concordia purchased 3,000 common shares of Western Lithium USA Corporation ("Western Lithium" or "WLC"), pursuant to the exercise of 3,000 previously issued share purchase warrants at an exercise price of \$0.60. The Company acquired these securities for investment purposes only. Concordia currently holds 28,540 common shares, or approximately 28.34% of Western Lithium's issued and outstanding shares.

On March 31, 2011, at the Company's AGM, the shareholders approved the addition of Mr. Terry Krepiakovich as a director of the Company. Mr. Krepiakovich is a Chartered Accountant, certified by the Institute of Chartered Accountants of British Columbia and adds a financial expertise to the Company's Board and its Audit Committee.

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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#### **Significant Events** (continued)

In March 2011, the Company announced that its Board of Directors approved, subject to regulatory approval, a change of name of the Company to Concordia Resource Corp. On April 5, 2011, the Company changed its name to Concordia Resource Corp. and changed the trading symbol on the TSX Venture Exchange to CCN. The change of name reflects the Company's strategy for expansion through acquisition and exploration globally, and through a shift in focus from uranium into a more diversified exploration and development company.

In March 2011, the Company and Western Lithium completed the transaction for the sale by Concordia to WLC of the Kings Valley mineral property for \$6,850 paid through the issue to the Company of 5,855 WLC common shares. The transaction resulted in the transfer of all of the Kings Valley mineral claims, excluding the Albusu gold exploration target, out of the Company's portfolio and eliminated the previous lease and royalty arrangements between the two companies on the Kings Valley property, including a Net Smelter Return of 1.5% and Net Profits Royalty of 3.5% on any lithium and related byproducts.

In March 2011, the Company terminated the Strategic Alliance Agreement (the "Agreement") with Cameco Global Exploration II Ltd. ("Cameco Global") made on August 29, 2007. Under the terms of the Termination Agreement between the two companies, Concordia paid \$2,500 to Cameco Global and granted Cameco Global a production royalty equal to twenty percent (20%) of the gross revenues derived from the sale of uranium products taken from certain unpatented mining claims and other property interests owned or leased by Western Energy Development Corp. ("WEDC") and KV Project LLC, each a direct or indirect wholly-owned subsidiary of the Company. The royalty granted to Cameco Global was later transferred to WLC on the sale of Kings Valley mineral claims. The conclusion of the Agreement is a condition precedent to the completion of the Company's sale, to Western Lithium, of royalties and titles relating to the Kings Valley mineral property holdings in Nevada.

In March 2011, the Company acquired an option to purchase the Providencia silver-copper project located in the Puna of northwestern Argentina. In October 2010, the Company acquired an option to purchase the 14,000 hectare Cerro Amarillo-Cajon Grande copper-gold property located in the Malargüe District, in the Province of Mendoza, Argentina.

Effective December 31, 2010, R. Edward Flood was appointed as Chairman, President and Chief Executive Officer, of the Company. Effective December 31, 2010, Pamela Klessig resigned as President and CEO of the Company.

In December 2010, the Company and Western Lithium reached an agreement in principle for the purchase, by Western Lithium, of WEDC, a wholly-owned subsidiary of Concordia that holds royalties and titles for substantially all of the Kings Valley mineral property holdings in Nevada. The parties agreed that Western Lithium will pay to Concordia \$6,850 in Western Lithium's shares as consideration for the transfer of WEDC. The transaction was completed in March 2011, and was structured as an asset sale with WEDC remaining in the Company as a subsidiary.

In December 2010, the Company entered into a definitive agreement with Cameco Global Exploration II Ltd. to conclude and terminate the Strategic Alliance Agreement made August 29, 2007 between the Company and Cameco Global.

## **CONCORDIA RESOURCE CORP.**

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Trends**

During the economic downturn of 2008, the price for most commodities, including uranium, and base metals fell to the levels below the cost of production for many existing producers. Some major US and international banks struggled to survive and exploration and development capital became scarce. A number of mining operations closed during 2008-2009 and the inventory levels for most base metals fell to very low levels. During this period, the exploration activities by most resource companies were reduced substantially.

As the world's economy started to recover, the demand for base metals grew significantly led by China and the prices for most base metals recovered or increased above the pre-recession levels. The price of gold, silver and other precious metals also reached high levels due to the expansionary monetary policies in most countries, political issues in certain parts of the world and currency uncertainties. This presented a great opportunity for resource companies to explore and develop new projects.

#### **Outlook**

In view of the current trends, the Company changed its strategic plan from a US-based uranium exploration focus to the worldwide global exploration for precious and base metals, including uranium. As such, the Company is focusing its exploration efforts on a selective basis and seeking out opportunities for properties or projects that exhibit potential for containing resources of base or precious metals of economic interest. In following this objective the Company acquired Swala with exploration properties in Africa and has acquired properties in Argentina.

The acquisition of Swala provides Concordia with the ability to commence an aggressive drill program in Burkina Faso, where Swala owns 100% of the Kerboulé property (containing the Araé and Gassel Manéré licenses) and is earning up to an 80% joint venture interest on Guéguéré property. The focus of the proposed drilling program for 2012 is to generate a NI 43-101 qualified resource in the Kerboulé area of the Araé Gassel licenses while continuing to explore for new targets on the Araé-Gassel and Guéguéré licenses. Swala's African properties and its Burkina Faso properties in particular, have all the components necessary to establish a very promising future in one of the great gold plays of West Africa.

The drilling on the Company's Providencia silver-copper project in Argentina is continuing with the aim to rapidly advance to a defined resource stage in 2012. The exploration program currently underway on the Cerro Amarillo property in Argentina and the drilling is planned for the later part of 2012.

#### **Resource Properties**

All costs related to the acquisition, exploration and development of resource properties are capitalized by property. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a resource property is impaired, that property is written down to its estimated net realizable value. A resource property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Through the Company's wholly-owned subsidiaries, Swala Resources Inc., Meryllion Minerals Corporation and Western Energy Development Corp., the Company has mineral exploration concessions in Africa, Argentina and the US. A description of each of the properties is provided as follows:

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### Acquisition of Swala

Effective January 13, 2012, the Company completed the acquisition of all of the issued and outstanding securities of Swala pursuant to a court approved plan of arrangement involving Concordia, Swala and the Swala Shareholders, Optionholders and Warranholders of Swala (the "Arrangement"). Swala brings to Concordia an extensive exploration portfolio in the highly prospective regions of Burkina Faso, Gabon, the Democratic Republic of Congo, Zimbabwe and Mozambique with a land package totaling over 12,400 square kilometers ("km<sup>2</sup>"), as well as an experienced management team and directors with extensive expertise in Africa.

Pursuant to the terms of the Arrangement, each Swala Shareholder received 1.9 common shares of Concordia for each share of Swala held.

Holders of warrants of Swala ("Warranholders") who have not exercised warrants of Swala ("Warrants") prior to the closing of the Arrangement (the "Closing") had their Warrants converted into common share purchase warrants of Concordia ("Concordia Exchange Warrants") in accordance with a warrant exchange ratio of 0.5 Concordia Exchange Warrants for each Warrant held. Warranholders who held Warrants having an exercise price of \$2.50 received Concordia Exchange Warrants with an exercise price of \$0.88. Warranholders who held Warrants having an exercise price of \$1.75 received Concordia Exchange Warrants with an exercise price of \$0.61.

Pursuant to the terms of the Arrangement, Concordia issued 25,310 shares to the Swala shareholders, 1,504 common share purchase warrants to the Swala warrant holders, and options to acquire an aggregate of 2,222 shares of Concordia at \$0.70 per share with the expiry date of January 13, 2017. In addition, Concordia issued 446 broker shares.

The following table summarizes Concordia's share purchase warrants issued to the holders of Swala warrants:

Expiry date	Number of Warrants	Exercise Price
December 9, 2012	502	\$0.88
December 9, 2012	1	\$0.61
December 20, 2012	46	\$0.88
December 22, 2012	286	\$0.88
December 31, 2012	606	\$0.88
December 31, 2012	52	\$0.61
August 31, 2013	11	\$0.88
	1,504	

Any outstanding Swala options were exercised for Swala shares immediately before the Closing on a cashless, in-the-money value basis, using the 1:1.9 share exchange ratio and unexercised options were cancelled.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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#### **Africa**

In 2011, the Company's board of directors approved the purchase of Swala Resources Inc, an Africa focused exploration company with an objective to identify, acquire and develop gold properties in Africa. The purchase of Swala gives the Company access to an extensive exploration portfolio in Africa as well as an experienced management team. As well as managing the two projects in Burkina Faso; Kerboulé and Guéguéré, Swala has joint ventures ("JV") in Gabon and the Democratic Republic of Congo. The respective JV partners are managing these joint ventures.

#### **About Burkina Faso**

Much of West Africa is underlain by the Birimian greenstone belt, one of the most prolific gold-producing areas in the world. Many of the world's major gold companies are active in West Africa, several with producing mines, including: Iamgold Corp., AngloGold Ashanti Ltd., Randgold Resources Ltd., Gold Fields Ltd. and Newmont Mining Corp. Burkina Faso is politically and economically stable and relies on farming and mining as its primary sources of revenue.

Burkina Faso saw gold production double from 2008 to 2010 and is currently the fifth largest gold-producing country in Africa. Control Risks Group Holdings Limited, a global consultancy specializing in political, security and integrity risk, ranked Burkina Faso #3 in their 2011 World Risk Survey – countries with least risk. The World Risk Survey asked respondents to rank their perception of risk in the following categories: financial risk, sovereign risk, land access, green tape, land claims, red tape, social risk, infrastructure, civil unrest, natural disasters and labour relations.

#### **Kerboulé, Burkina Faso**

In April 2009, Swala entered into a joint venture agreement with SearchGold Resources Inc. ("SearchGold") to "earn-in" a 65% interest in two licenses, the 'Araé' and 'Gassel Manéré', covering a total of 399.5 km<sup>2</sup>, that are registered in the name of Societe Miniere de Kerboule (SMK) sarl in Burkina Faso, a company wholly owned by Gazelle Resources Inc. in the BVI. In July 2010 Swala and SearchGold agreed for Swala to acquire 100% of Gazelle Resources Inc., in consideration for Swala shares. In addition Swala took over SearchGold's commitment to pay a Net Smelter Royalty ("NSR") of 3% to Somika (the local Burkina Faso company from whom SearchGold had originally acquired rights to the tenements). Half of this NSR may be acquired for US\$1,500.

The property is located on the northern border of Burkina Faso. The license area is situated within a twenty kilometer structural corridor along the Inata shear zone, a regional north-northeast trending structure containing the Inata gold deposit.

The project lies almost entirely within the Palaeoproterozoic basement comprised of the Birimian-aged Djibo belt of the central domain. The Djibo belt is predominately composed of a north-south striking sequence of mafic and/or intermediate to felsic volcanic rock intercalated with an argillaceous sedimentary rock. Gold mineralization on the property occurs primarily associated with quartz veining and attendant hydrothermal alteration. There are numerous orpillage (artisanal diggings) sites on the property, and historical exploration programs that included geochemical sampling, trenching and drilling, have identified at least six areas with gold mineralisation, including the Kerboule-Yalema trend extending over 5 kilometres, in the southern part of the licenses. Salient intersection in meters ("m") from historical work on the Kerboule area are shown below:

**CONCORDIA RESOURCE CORP.***(Formerly Western Uranium Corporation)***MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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**Kerboulé, Burkina Faso (continued)**

Hole-ID	From (m)	To (m)	Length (m)	Gold (g/t)	Comment
RCK99-58	42	98	56	2.51	Inc 4.69g/t over 16m from 46 to 62m
RCK99-04	0	130	130	1.49	Inc 2.28g/t over 48m from 20 to 68m
RCK99-05	0	50	50	2.2	Inc 6.22g/t over 10m from 1 to 10m
RCK99-41	0	50	50	1.87	Inc 2.54g/t over 28m from 4 to 32m
RCK99-28	86	90	4	16.01	
GO9004	0	50	50	1.69	
GO9037	1	47	46	1.73	Inc 7.94g/t over 7m from 29 to 36m

A 2011 work program for the Kerboulé property was recommended by SRK Consulting (Canada) Inc. in its Independent Technical Report dated July 28, 2011. Since that report was published Swala completed an airborne geophysical survey, trenching and structural interpretation; a regional 'pit' geochemical sampling and Rotary Air Blast ("RAB") scout drilling on four anomalous targets. Salient results from this program are shown below:

ANOMALY	HOLE NO	From (m)	To (m)	Length (M)	Gold (g/t)	Comments
Ariel	AX110179	7	8	1	2.435	
	AX110242	8	16	7	0.714	
	AX110185	6	13	7	0.405	
Gassel-Haissa	AX110389	25	30	5	4.656	Results not complete
	AX110423	0	10	10	0.483	
	AX110535	15	18	3	0.740	
Kerboule-Yalema	AX110821	14	27	13	0.697	
	AX110871	21	27	7	0.450	
	AX110838	22	25	3	1.050	
	AX110828	25	30	5	0.926	
Yalema	AX110723	17	19	3	1.683	
	AX110839	1	2	2	1.215	

An aggressive follow-up exploration program has commenced in the Kerboulé licenses. This includes ground geophysical surveys, over 6,000m of detailed Auger sampling, 20,000m of R/C drilling and 6,000m of Core drilling. The primary objective of this program is to delineate a Mineral Resource in the Kerboulé South area.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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#### **Guéguéré, Burkina Faso**

During the first quarter of 2011, Swala acquired from SearchGold the rights to earn into two prospective licenses in Southern Burkina Faso; the "Zogyon" and "Oronkua" which together cover 500 km<sup>2</sup>. SearchGold originally acquired 100% of the rights to this property from Somika, who will retain a 2% NSR, and this right continues under the new arrangement. Half of the NSR (or 1%) may be purchased at a price of US\$1,000 in one payment or in two equal payments of US\$500 each. Swala can acquire an interest of up to 80% in Guéguéré. Upon the completion of a NI43-101 compliant bankable feasibility study, SearchGold will participate in the development costs or will be diluted pro-rata in its interest. Swala will be the project operator and a technical committee will be established to overview the development work to be executed on the property. In the event of commercial production, both parties agree to be diluted by the 10% Burkina Faso state free carry participation pro-rata their respective interest in the project.

The Guéguéré property is located 180 km south west of Ouagadougou, Burkina Faso's capital, in the Boromo Birimian greenstone belt between the past producing Poura mine and Orezone Resources' Bondi project.

The north-north-east trending Boromo greenstone belt consists primarily of Birimian meta sediments and metavolcanics, intruded by mafic and ultramafic plutonic bodies and granitoids. On Guéguéré, these various formations host quartz veins and are transected by numerous lineaments. On the Guéguéré property, geochemical and geophysical surveys executed in 2003-2004 by Orezone Resources Inc., have outlined gold geochemical anomalies over a strike length of 1,700 m and over which follow-up RC drilling in 2004-2005 confirmed significant gold grades at less than 100 m vertical depth.

- DRC007: 15.30 g/t Au over 2 m from 14 to 16 m
- DRC004: 13.42 g/t Au over 3 m from 59 to 62 m
- DRC002: 1.83 g/t Au over 9 m from 56 to 65 m
- DRC013: 1.40 g/t Au over 20 m from 2 to 22 m

No cut-off grade was reported for the calculation of the above intersections and even though exploration drilling attempts to intersect the mineralized structures at a high angle to determine exact widths, the above intersections do not represent perfect true widths.

In 2009, a field program was undertaken primarily in the Domoule area in the southern part of the licenses. Mineralized quartz veins and artisan workings are abundant in this area and 105 rock samples were collected; 21 km of grid lines were established and a geological surface map was produced. A total of 20 samples returned grades above 0.56 g/t Au while, 6 of those reported grades between 5 and 10 g/t Au. These results validate the potential of this area, which underwent drilling by Orezone. In March 2011, Swala completed a high resolution airborne geophysics survey of the two permits.

A more systematic geochemical sampling program is planned for 2012 in the area after which, should the results confirm the mineralization and identify new potential areas, a reverse circulation ("RC") drill program can be initiated.

#### **Mimongo & Koumameyong, Gabon JV**

The joint venture with AngloGold Ashanti Limited is for two licenses in Eteke Greenstone belt totaling an area of about 4,000 km<sup>2</sup>. Targeting probable Archean greenstones and Birimian aged units found along the western edge of the Gabon Craton. At Mimongo, a 4km long coherent soil anomaly has been identified and follow-up work on this anomaly; mainly ground magnetic surveying, trenching and pitting, has been completed. Trench sample results are pending.

The agreement permits Swala to be carried on exploration costs to Feasibility with the right to a 20% share of any discovery on its license if the decision is made to proceed with a Feasibility Study.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **DRC JVs**

The joint venture with Anglo American plc is for six licenses in north west Katanga for copper and cobalt and is in the early exploration stage. The exploration work is due to commence in 2012.

The second joint venture is with a well-funded private company for 17 licenses in Kasai. The transfer of these licenses to the new joint venture entity has received cadastre approval and is now waiting for the Ministry of Mines confirmation so that the licenses may be endorsed to the new company. The exploration target has the characteristics of a differentiated and layered ultramafic intrusion with platinum group metals and base metals potential. Airborne geophysics, mapping and sampling are planned over these 17 licenses covering some 5,000 km<sup>2</sup>.

#### **Qualified Person**

Mr. Barry Bayly, a qualified person for the purposes of NI 43-101, has supervised the preparation of the scientific and technical information in this MD&A on the properties in Africa.

#### **South America**

In 2010, the Concordia's board of directors approved management's recommendation that the Company no longer focus exclusively on uranium exploration in Canada and the United States. Given that mandate, Meryllion Minerals Corporation was created by the Company to undertake exploration programs, and to acquire an interest in South American properties, with an emphasis on Argentina and Brazil.

The Company acquired an option to purchase the 14,000 hectare Cerro Amarillo copper-gold property located in the Malargüe District, in the Province of Mendoza, Argentina and the 3,000 hectare Providencia silver-copper project located in the Puna of northwestern Argentina.

#### **Cerro Amarillo, Argentina**

Under the option agreement on Cerro Amarillo, entered into in October 2010, the Company has the exclusive right to engage in exploration activities on the properties for up to 52 months before exercising its option to acquire a 100% interest in the properties. The option is exercisable by the Company at any time, however, so long as the exploration program is ongoing, the Company will make payments to the owners of the property, which payments will total US\$525 (US\$75 paid) if the exploration program continues for at least 40 months. When the option is exercised, the Company will pay a final purchase price of US\$2,500. The owners of the property will also be entitled to a 1% NSR in the event the properties are placed into commercial production.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Cerro Amarillo, Argentina** (continued)

Cerro Amarillo lies at the southern end of the highly productive late Miocene – Pliocene magmatic arc that hosts the El Teniente and Los Bronces porphyry deposits in Chile. The main occurrence on the property contains a classical porphyry system that includes stockwork-, disseminated-, skarn-, breccia-, and vein-styles of mineralization, which has not been drill tested. Recent work has led to the development of a first stage drill program for which the Company is currently in the process of obtaining necessary permits. Presentations have been made to the surface rights owners for permission to build an access road so that drilling operations can be undertaken in the austral summer, and applications are being made to the provincial authorities to authorize the drilling. In addition, an assessment of glaciation processes on the property has been completed and submitted to the relevant authorities, and a water sampling program which has further characterized the quality of water in the area prior to the start of exploration activities has been undertaken and the report submitted.

The 2012 program started with the mobilization of an exploration team, and a program of additional mapping, sampling, and ground geophysics (magnetics and induced polarization) is being undertaken prior to the commencement of drilling in the latter part of the year.

#### **Providencia, Argentina**

Under the terms of the option agreement on Providencia entered into in March 2011, the Company has the right to acquire a 100% interest in the property by making an initial payment of US\$50 (paid) with additional escalating option payments amounting to US\$1,000 (US\$100 paid) over the next 60 months. The exercise fee is US\$950 if less than 50 million ounces of resources have been delineated (as defined by a third-party, independent consultant), or US\$1,950 if more than 50 million ounces of silver are defined. The property is subject to an NSR of 1.5% with Meryllion having the option to buy out the royalty. Meryllion, in addition, is committed to exploration expenditures of US\$50 and US\$100 in the first and second years respectively.

The property comprises mineral concessions amounting to 3,000 hectares situated 4,200 meters above sea level and some 260 km by good road from San Salvador de Jujuy, the capital of the Jujuy Province. It has access to gas pipelines, power lines, railroad, as well as highway access to Chile relatively close by. The focus of the project is the La Providencia silver deposit which was discovered in 1969 and which between 1986 and 1997 produced some five million ounces of silver from ore grading >250g/t silver. Mineralization is hosted by a gently dipping, poorly consolidated, green conglomerate unit floored and capped by pink mudstones and white sandstones respectively. Compilation of previous exploration data as well as confirmation mapping and sampling have indicated the presence of a number of mineralized lenses largely within the conglomerate unit, but also in the white sandstone immediately above a set of steeply dipping structures. The most extensive of these lenses, the Main Lens, is located in the central part of the Upper Conglomerate, and was the primary target of previous mining. Four shallow open pits were developed – the North, Central, South, and West Pits, and mineralization in this lens is open along strike to both the north and south, as well as down-dip to the east within the gently dipping Upper Conglomerate. Additional mineralization has been intersected by previous drilling in conglomerate units located below the pink mudstone, and the objectives of the Company's drill program, which was started in late August 2011, were to extend known resources in the near surface environment as well as to test for mineralization at depth. More specifically, the aims of this 3000m program were to:

- Twin a number of previously drilled holes in order to compare and contrast analytical results with a view to integrate the various exploration data sets.
- Undertake routine drilling along fences across the Main Lens in order to confirm its presence and to arrive at a compliant resource statement.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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#### **Providencia, Argentina** (continued)

- Test for mineralization in the lithologies below the pink mudstone under the South and North Pits as well as north of the North Pit in order to guide future drilling for additional resources at depth.

The drilling was being undertaken by Major Perforaciones SA, the Argentine subsidiary of Major Drilling Group International Inc. ("Major"). Major mobilized a UDR200D which is capable of drilling at both "H" and "P" diameters. Because of the poorly consolidated nature of the conglomerates, triple tube core barrels were utilized, and recovery was further enhanced with the addition of bentonite and bio-degradable organic polymers to the drilling fluids.

By year end, some 3,289m of drilling had been completed in 38 holes, and some 3,281 samples were collected and submitted for analysis to ALS Chemex laboratories in the Mendoza Province of Argentina. Holes ranged in depth from AAA m to BBB m in fences covering the North Zone of the Main Lens. In addition, Lower Lenses were intersected below the Main Lens, and this package of Lenses was seen to be open to the north.

As a consequence, the 2012 program has been designed to test the northern extension of the package of lenses with a fence of holes some 400m to the north of the previous holes from the 2011 program. Drilling has re-commenced with an 1,800m program, and the area overlying the northern extension is being covered by a ground geophysical survey of magnetics and orientation induced polarization.

Exploration was initiated with the objectives of compiling and reviewing all data; characterizing the host lithologies, alteration mineral assemblages, and controlling structures; unraveling the local stratigraphy and structural history; and, developing a 3D geometric model in order to proceed with a drilling program. In addition, an environmental study was commissioned, and an application for a drilling permit submitted to the relevant authorities. A drilling contract has been awarded, and preparations have been made to start drilling on receipt of the necessary permits.

#### **La Rioja, Argentina**

The Company entered into an agreement to acquire seven categoos covering approximately 14,000 hectares located in the La Rioja Province of Argentina that demonstrate strong potential for hosting uranium mineralization. In addition, the agreement extends to any other uranium properties identified by the HB Syndicate within Argentina over the next two years that, with Concordia's agreement, merit acquisition. The agreement was finalized in February 2010.

The seven categoos cover areas that are similar geologically to the producing basins in the Western United States that have been mined and have produced hundreds of millions of pounds of uranium. Compared to the uranium exploration history in the US these areas have not been subjected to the intense level of exploration or mining by the private sector. In addition to the geologic favorability of the area, the provincial government of La Rioja recently rescinded negative mining regulations, and the infrastructure and access are good compared with other prospective areas in Argentina. The company believes this represents a sound business opportunity to continue uranium exploration with a minimal outlay of expenditures, which will position Concordia well as the uranium sector revives. Preliminary field work started in April 2010 that consisted of stream sediment sampling, rock chip sampling and testing the individual categoos for anomalous radioactivity using hand held scintillometers. First pass sampling yielded a chemical assay of 0.05% uranium from a rock chip sample on one of the categoos, which was encouraging, from an area that has never been explored for uranium. A second pass program, consisting of soil and rock chip sampling along with scintillometer readings, was undertaken in July 2010 and focused mainly on the one categoo that yielded the favorable geochemical results. A zone that is weakly anomalous was identified. The Company is evaluating whether additional work will be undertaken here or on any of the other sites.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **La Rioja, Argentina** (continued)

##### *Acquisition terms*

Payment comprises US\$100 (paid), 500 units (issued) of Concordia (a unit comprising one common share and a two-year one-half warrant) and a 2% NSR. Concordia will have the option to purchase any or all of the NSR at a price of US\$1,000 per percentage interest.

#### **Baza, Spain**

In October 2009, the Company entered into an Option Agreement with Renaissance Gold Inc., formerly AuEx Ventures Inc. ("Renaissance"), to earn a 70% interest in the Baza property in south east Spain. The property is located on the south slope of the Sierra de Filabres which is separated by a major east-west trending valley from the Sierra Nevada to the south and is about 120 kilometers to the east of Granada.

The Option gives the Company the right to carry EuEx (a wholly owned subsidiary of Renaissance) through bankable feasibility on any given exploration permit to earn up to 70% of the project and by paying an aggregate of US\$400 to Renaissance of which US\$100 has been paid upon signing of the Option Agreement. To maintain the option US\$100 must be paid on the first (US\$100 paid), second (US\$100 paid), and third anniversaries of the Agreement to Renaissance and minimum annual expenditures must be incurred at the rate of:

Euro ("€") 500 on or before the first anniversary (completed);

€600 on or before the second anniversary (completed);

€1,000 on or before the third anniversary;

€500 in each subsequent year until such time as a bankable feasibility study is obtained in respect of a particular Permit;

If Concordia spends at least €3,000 on any given Exploration Permit or Application, it is entitled to a 5% NSR which reduces to a 1% NSR after €6,000 in payments. Any excess expenditure made in one year may be carried forward towards meeting the following years work commitment.

The Company has decided not to continue with the exploration work on the Baza property based on the exploration results and the Company is currently focused on South America and Africa. In Q4 2011, the Company wrote-off acquisition and exploration costs of \$2,577.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Kings Valley Claims, Nevada, US**

The Company acquired the Kings Valley property in January 2005. Recognizing the regional exploration potential the property holds to host uranium and potentially gold or molybdenum mineralization, the Company aggressively explored the large land position of nearly 80,000 acres over the past several years. After evaluation consisting of geophysics, structural interpretation, geologic mapping and sampling, the Company decreased the land position by 2,154 claims in 2009.

During the past five years the Company conducted various phases of exploration including undertaking large geochemical surveys, airborne and ground geophysical surveys, geologic mapping, large regional structural analyses, and various drill campaigns. Results from the all drilling were reported in the previous quarterly financial and annual management's discussions and analyses. The various drill programs did not intercept mineralization in amounts that justified further exploration on the project for Concordia.

#### **Option Agreement with Western Lithium prior to the Sale of Kings Valley Claims**

In December 2007, the Company entered into a mining lease and option to purchase agreement (the "Lease Agreement") with Western Lithium, through their subsidiaries, Western Lithium Corp. (100% owned by Western Lithium USA Corporation) and Western Energy Development Corporation (100% owned by Concordia), pursuant to which Concordia granted to the Western Lithium the exclusive right to explore for lithium bearing minerals and clay on the Kings Valley Property (the "Exploration Right").

The Lease Agreement has a term of 30 years that is renewable subject to Western Lithium fulfilling terms required under the lease agreement. In consideration for the Exploration Right, Western Lithium must pay to the Company US\$25 (received), US\$50 (received) on the first anniversary of the effective date of the Lease Agreement, US\$75 on each of the second (second anniversary payment received) through fourth anniversaries of the effective date of the Lease Agreement, US\$100 on each of the fifth through tenth anniversaries of the effective date of the Lease Agreement, US\$150 on each of the eleventh through twentieth anniversaries of the effective date of the Lease Agreement and US\$200 on each of the twenty-first through thirtieth anniversaries of the effective date of the Lease Agreement, for total payments of US\$4,400. These payments are applied against any royalty payments. Western Lithium has agreed to pay to the Company a NSR of 1.5% and a Net Profits Royalty equal to 3.5%.

#### **Sale of Kings Valley Claims to Western Lithium**

In March 2011, Concordia and Western Lithium completed the purchase and sale transaction of the royalties and titles constituting substantially all of the Kings Valley mineral property for \$6,850, paid through the issue to Concordia of 5,855 common shares of WLC with a fair value of \$1.17 per share. As a result of the transaction, all of the claims, except Albisu gold exploration target, were transferred out of WEDC to Western Lithium and the previous lease and royalty arrangements were eliminated between the two companies, including a NSR of 1.5% and Net Profits Royalty of 3.5% on any lithium and related byproducts. Western Lithium assumed a 20% royalty to Cameco Global solely in respect of uranium and other commitments in respect to the option agreements on the property as follows:

- Mining Option Agreement with Uravada Inc. ("Uravada") on certain mining claims for US\$50 annual payment in advance net smelter return royalty payments;
- Mining Option Agreement to acquire four mining claims for US\$2 per year in advance net smelter return royalty;
- 20-year renewable mining lease on two claims for US\$10 per year in advance net smelter return royalty payments.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Termination of the Strategic Alliance Agreement with Cameco Global**

In February 2011, the Company concluded and terminated the Strategic Alliance Agreement (the "Agreement") entered into on August 29, 2007, between the Company and Cameco Global Exploration II Ltd. ("Cameco Global"). Under the terms of the Termination Agreement, the Company paid to Cameco Global \$2,500. In addition, WEDC and KV Project LLC, each a direct or indirect wholly-owned subsidiary of the Company, have agreed to grant Cameco Global a production royalty equal to twenty percent (20%) of the gross revenues derived from the sale of uranium products taken from certain unpatented mining claims and other property interests owned or leased by WEDC and KV Project LLC. These properties were previously covered by the terms of the Agreement.

#### **Albisu Claims, Nevada, US**

The Albisu gold project occurs in northwestern Nevada approximately 35 kilometres west of McDermitt, Nevada. The project area is covered by 118 lode mining claims. Northwestern Nevada is situated in the northern Nevada epithermal province, which includes the deposits of Sleeper, Hog Ranch, and Hycroft.

The Albisu gold project exhibits distinctive low-sulfidation features and shallow, paleo-hot springs are evidenced by a large sinter apron exposed in the south part of the project. Other characteristics include weak stockwork sinter veinlets and sinter flooded tuffs that occur in the projects' northwest area. The predominate rock types are basalt and rheomorphic tuff, both of which can be hydrothermally brecciated and flooded with sinter style silica.

The Albisu area was previously drilled by Chevron Resources in 1979 and 1981 for its uranium potential. In the summer of 2008 Concordia drilled 4 core holes on the Albisu project (ALB-1 thru ALB-4). Holes ALB 1-3 were drilled on the southern part of the project, in an area of sinter concentration. The Company's hole ALB-4 was drilled in the northern portion of the project to twin Chevron's AL-14 drill hole, which reportedly intercepted 20 feet ("ft") @ 6.2 part per million ("ppm") gold. Positive results from ALB-4 (5 ft @ 12.46 g/t Au and 25 ft @ 1.94 g/t Au) convinced the Company to continue drilling in the spring and summer of 2009 with an additional 11 core holes (ALB-5 thru ALB-15). A total of 11,559 ft of core was drilled in twelve core holes in 2008 and 2009.

The drill program defined a stockwork sulfide +/-quartz +/- calcite zone in the rheomorphic tuff that lies above the lower basalt contact. The basalt often exhibits stockwork mineralization for a few feet below the contact. The maximum drill thickness of the stockwork zone is 73 m (240 ft). Gold values range as high as 14.6 g/t (0.43 ounces per tonne ("ozs/t")) over 5 ft at the upper part of the stockwork zone to 10's to 100's of feet that ranges from 0.20 g/t to 0.50 g/t (0.014 ozs/t) or greater. An east to west geologic cross-section through drill holes ALB-4, 6, and 9 indicate that the stockwork mineralized zone dips to the east at about 45-50 degrees.

A number of targets remain to be drill tested. Surface geochemistry, alteration, and structural trends suggest the mineralizing system may continue to the south for up to 2 kilometers. Additional drilling in the north zone where the 2009 program focused is needed to further define the character and geometry of the stockwork mineralization. Additional drilling increases the chances of encountering thicker intervals of higher grade stockwork mineralization and/or bonanza style veins as mined at Sleeper.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Treeline Claims, New Mexico, US**

The Treeline project consists of 480 acres of private lands leased (referred to as leased lands) by the Company through its wholly owned US subsidiary WEDC and approximately 3,380 acres of unpatented mining claims located by WEDC (referred to as WEDC's unpatented claims). The project lies within a west-northwest-trending belt of uranium mineralization known as the Grants Uranium District in northwestern New Mexico. On March 30, 2005, the Company purchased a leasehold interest in property located in New Mexico for \$92 (US\$75) and purchased data on the surrounding ground for \$6 (US\$5). The Company has staked and filed a number of federal lode mining claims, with the Bureau of Land Management (BLM) on this property.

#### **Treeline Claims, New Mexico, US (continued)**

The Company had requested that the United States Forest Service (USFS) undertake the completion of the Environmental Impact Statement (EIS) but notified the USFS in February 2010 that it is no longer proceeding with any activity on the project and to remove WEDC from the multi-company, exploration EIS consortium. In July 2011, WEDC filed a formal notification of abandonment of 66 of the 169 federal lode mining claims with the BLM. The remaining 103 claims and the lease were sold to Tigris for consideration of 200 common shares of Tigris.

In a December 2010 letter, USFS identified WEDC as a potentially responsible party ("PRP") in respect of the former San Mateo uranium mine grounds located within Treeline claims. The Company believes that this position is not supported under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), a United States federal law designed to clean up sites contaminated with hazardous substances. WEDC staked unpatented mining claims on the lands in 2004, two decades after the last mining activity on the property and the previously located mining claims were abandoned.

The site was mined by United Nuclear Company, a subsidiary of General Electric Company, Homestake Mining Company, a subsidiary of Barrick Gold Corporation, and a third company which was a subsidiary of the company now known as El Paso Energy. Those companies are also identified as PRPs. WEDC objected to being characterized as a PRP. All parties involved are in discussions to resolve the issue. The Company has decided to not continue with the exploration work on the Treeline property due to the change in the Company's exploration plans and consequently wrote-off acquisition and exploration costs of \$815.

#### **Thelon Basin Permits and Claims, Northwest Territories and Nunavut, Canada**

Concordia had nine exploration permits covering approximately 355,000 acres in Nunavut that expired at the end of January 2009 according to regulations. Prior to expiration, the Company converted the most favorable portions of the permits to 49 mineral claims covering 126,543 acres. In 2010 the Company filed representation work on 33 Ruby claims covering 85,222 acres. In the Northwest Territories the Company determined the acreage covered by the one exploration permit held little exploration potential and relinquished the ground. The Company held three claim blocks covering 80,233 acres in the Northwest Territories in the Thelon Basin which were valid until September 2009. Management has decided to relinquish the claims due to the extreme problems with permitting uranium exploration on the Northwest Territory side of the Thelon Basin. The Company wrote down \$998 of the deferred exploration costs in 2008 and \$24 in 2009 on the property.

No further work is planned for the Thelon Basin project. The Company wrote off the Thelon Basin property considering the exploration results, the state of the uranium market, and the Company's explorations plans. As a result of the write off, the Company recorded a reduction of the future income tax liability of \$1,386.

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### Selected Annual Financial Information

The following table provides a brief summary of the Company's financial operations for the past three years. For more detailed information, refer to the audited consolidated financial statements.

	Year ended September 30,		
	2011	2010	2009
	\$	\$	\$
Total assets	46,469	63,045	71,697
Mineral properties and deferred costs	2,159	16,955	22,017
Total current liabilities	(648)	(129)	(132)
Expenses	(19,025)	(10,085)	(2,092)
Loss and comprehensive loss	(17,945)	(9,797)	(1,962)
Basic and diluted loss per share	(0.30)	(0.16)	(0.03)
Cash dividends	-	-	-

Total assets decreased by \$16,576 during 2011 primarily due to the \$13,387 write off of the Company's properties and \$3,692 cash expenditures on operating activities incurred during the year. Total assets decreased by \$8,652 during 2010 due to the \$8,337 write-down of Kings Valley property; \$1,402 private placement in Western Lithium and \$1,397 cash expenditures on operating activities offset with a \$2,705 increase in the Investment in Western Lithium.

Mineral properties and deferred costs decreased by \$14,796 primarily due to the disposition of Kings Valley claims and royalties for \$6,850, \$13,387 write off of the Company's properties offset with \$5,441 property expenditures consisting of \$2,500 payment to Cameco Global; \$1,249 Baza and \$1,053 Providencia projects exploration expenditures. The 2010 decrease of \$5,062 was due to the exploration expenditures and acquisition costs of \$3,275 on the Company's properties offset with an \$8,337 write down of the Kings Valley property.

Current liabilities consist of accounts payable and accrued liabilities, which fluctuate with the level and timing of exploration and development expenditures on the properties.

Expenses increased in 2011 by \$8,940 due to the \$5,050 increase in mineral properties write offs, \$1,456 increase in non-cash stock-based compensation expense, \$1,320 increase in salaries and benefits and increase in activities. The increase in salaries and benefits are mainly due to the US\$600 severance payment to a former officer of the Company and an increase in the number of employees. Expenses in 2010 increased by \$7,993 due to the \$8,146 increase in the mineral property write-off.

Net loss and comprehensive loss for 2011 increased by \$8,148 due to a \$8,940 increase in expenses, a \$260 increase in equity loss in Western Lithium, and a \$864 decrease in gain on dilution of interest in WLC offset with a \$680 decrease in foreign exchange loss, a \$143 increase in interest and \$1,052 increase in future income tax recovery. The decrease in foreign exchange loss was due to a Canadian/US\$ fluctuations, interest income increased due to higher interest rates and future income tax recovery was due to the Thelon Basin property write off. Net loss and comprehensive loss for 2010 increased by \$7,835 due to an \$8,146 increase in property write-off expense, an increase of \$1,116 in foreign exchange loss, a \$300 decrease in interest income due to the lower interest rates offset with \$1,902 increase in gain on dilution of interest in WLC.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Summary of Financial Results**

For the year ended September 30, 2011, the Company reported a net loss and comprehensive loss of \$17,945 (2010 - \$9,797).

Significant expenditures and fluctuations were incurred in the following categories for the year ended September 30, 2011:

Stock-based compensation of \$1,762 (2010 - \$306) is a non-cash expense and represents the estimated fair value of stock options vested during the year. Stock-based compensation expense is accounted for at fair value as determined by the Black-Scholes option pricing model with assumptions as described in Note 6 of the financial statements. Stock-based compensation expense varies from year to year based on the number and valuation of the stock options granted during the year, vesting provisions and amortization schedule of the previously granted stock options. The Company granted 3,198 stock options in 2011 compared to 585 granted in 2010.

Professional fees consist of legal \$225 (2010 - \$157), consulting \$383 (2010 - \$136), corporate development \$220 (2010 - \$30), and accounting \$129 (2010 - \$141). The increase in legal and corporate development was mostly due to the sale of Kings Valley property. The increase in consulting was due to the increase in activities in the Company's Buenos Aires office, services of the interim CEO, and corporate consulting services.

Travel expense of \$414 (2010 - \$83) was higher due to the increase in activities and more travel to Europe, Africa and South America.

Office and administration expense of \$461 (2010 - \$183) increased due to the opening of an office in Argentina, a move to a larger office in Vancouver and an increase in the Company's activities. The Company shares rent and administration of its Vancouver and Reno offices with Western Lithium.

Interest income of \$267 (2010 - \$124) was higher mostly due to higher interest rates during 2011.

The equity loss in Western Lithium of \$1,512 (2010 - \$1,252) and gain on dilution of interest in Western Lithium of \$1,092 (2010 - \$1,956) were recorded under the equity method of accounting.

2011 future income tax recovery of \$1,249 (2010 - \$197) was a result of the future tax asset of the Company's Thelon Basin property write off.

The Company capitalized \$5,441 on its projects in 2011: \$2,645 on Kings Valley, \$38 on Treeline, \$9 on Thelon Basin, \$1,249 on Baza, \$19 on La Rioja, \$123 on Cerro Amarillo, \$1,053 on Providencia and \$305 on Albusu.

During the year ended September 30, 2011, the Company recorded \$6,850 non-cash consideration received on the disposition of the Kings Valley property to Western Lithium and wrote down the remaining balance of \$2,645. The Company also wrote off the Thelon Basin, Treeline and Baza properties. During the year ended September 30, 2010, the Company wrote down \$8,337 of the Kings Valley property.

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### Summary of Selected Quarterly Results and Fourth Quarter

The following is a summary of the Company's selected consolidated financial information for the eight most recently completed quarters. The information has been prepared in accordance with Canadian GAAP.

	2011				2010			
	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$
Total assets	46,469	49,638	49,984	61,302	63,045	71,515	71,293	72,121
Mineral properties and deferred costs	2,159	3,898	3,397	17,377	16,955	24,237	23,686	22,659
Expenses	(4,674)	(1,255)	(11,633)	(1,463)	(8,731)	(480)	(513)	(360)
(Loss)/income and comprehensive (loss)/income	(4,048)	(989)	(10,703)	(2,205)	(8,480)	8	(1,350)	24
(Loss)/income per share – basic and diluted	(0.06)	(0.02)	(0.18)	(0.04)	(0.16)	0.00	(0.01)	0.01

The decrease in total assets during Q4 2011 was due to the \$815 Treeline and \$2,577 Baza properties write offs; \$858 operating expenses (excluding non-cash stock-based compensation and mineral properties write offs) offset by \$336 increase in accounts payable and accrued liabilities and foreign exchange gain of \$800. The decrease in Q2 2011 was due to the \$2,645 King Valley and \$7,350 Thelon Basin properties write off. The decrease in Q4 2010 was due to the \$8,337 write down of the Kings Valley property.

The decrease in mineral properties and deferred costs during Q4 2011 was due to the \$815 Treeline and \$2,577 Baza properties write offs, offset by property expenditures of \$845 on Providencia, \$456 on Baza and \$264 on Albusu. The decrease in Q2 2011 was due to the disposition of the Kings Valley property for \$6,850; properties write offs: \$2,645 for the Kings Valley and \$7,350 for the Thelon Basin; offset with \$2,875 property expenditures including \$2,500 payment to Cameco Global. The decrease in Q4 2010 was incurred due to the \$8,337 write down of the Kings Valley property offset with property expenditures. Increases during other quarters were due to the exploration and acquisition expenditures on the Company's properties.

Fluctuations in expenses are due to the timing of the Company's activities, including moving to a new office, hiring of additional employees, legal and consulting fees, severance payment to a former officer, and changes in stock-based compensation expense. Increases in Q4 2010 and Q2 2011 expenses was also due to the Kings Valley and Thelon Basin property write downs. The increase in expenses during Q4 2011 was incurred due to the \$815 Treeline property expenditures write down and \$2,577 Baza property expenditures write down.

Fluctuations in net loss and comprehensive loss are due to the changes in the expense categories, foreign exchange gains/(losses), interest income, equity losses and gains on dilution of interest in WLC.

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### Liquidity and Capital Resources

##### Cash Flow Highlights

	Year ended September 30		
	2011	2010	2009
Cash used in operating activities	(3,692)	(1,397)	(1,066)
Cash used in investing activities	(6,893)	(4,236)	(4,167)
Cash provided by financing activities	-	-	-
Foreign exchange on cash and cash equivalents	(57)	(685)	446
Decrease in cash and cash equivalents during the year	(10,642)	(6,318)	(4,787)
Cash and cash equivalents - beginning of year	40,040	46,358	51,146
Cash and cash equivalents - end of year	29,398	40,040	46,358

At September 30, 2011, the Company had cash and cash equivalents of \$29,398 and working capital of \$29,111 compared to cash and cash equivalents of \$40,040 and working capital of \$39,974 on September 30, 2010. The decrease is mainly due to exploration expenditures of \$5,093, investment in Western Lithium of \$1,800 and operating expenditures of \$3,692.

The Company considers that it has sufficient cash to finance its operations for at least 12 months from the date of approval of the financial statements, including the exploration plans for the properties acquired in Africa from the Swala transaction.

The Company currently holds 28,540 shares of Western Lithium or approximately 28%.

The Company considers that it is well financed to allow funding of the current exploration stage assets and programs. The requirement for further equity financing is most likely to be related to the advancement of one of the Company's exploration assets to a resource delineation or feasibility stage.

Except as disclosed, the Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs.

The Company does not now nor expects in the future to be engaged in currency hedging to offset any risk of currency fluctuations.

##### Operating Cash Flow

Cash used in operating activities during the year ended September 30, 2011 was \$3,692 compared to \$1,397 used during the year ended September 30, 2010. The increase in cash used was primarily due to the increase in expenses.

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### Investing Activities

Investing activities required cash of \$6,893 during the year ended September 30, 2011, compared to \$4,236 used in 2010. The cash used in investing activities during the year ended September 30, 2011, was for the exploration expenditures on the Company's properties, \$2,500 payment to Cameco Global and for the purchase of WLC shares for total of \$1,800. 2010 exploration expenditures were primarily on the Baza and the Kings Valley properties and for the purchase of WLC's shares for \$1,402 while 2009 expenditures were primarily on the Kings Valley property.

#### Financing Activities

During the year ended September 30, 2011, 2010 and 2009, the Company did not have any financing activities.

#### Related Party Transactions

In March 2011, the Company completed the sale of the royalties and titles constituting substantially all of the Kings Valley mineral property to Western Lithium and received in consideration 5,855 common shares with a fair value of \$1.17 per share.

Included in professional fees is \$57 (2010 - \$56) consulting fees paid to the Company's director for the management services.

The Company paid a \$608 severance payment which is included in salaries and benefits and \$132 (2010 - \$nil) of consulting fees for management services to the Company's director. The consulting fees were allocated as follows: \$66 to professional fees, \$23 to the Treeline property and \$43 to the Baza property.

The Company had related party transactions with WMM Services Corporation ("WMM"), a private company owned equally by Concordia and Western Lithium. WMM provides administration, accounting and other office services to the Company on a cost-recovery basis. The Company paid consulting fees to a director for management services and severance payments and consulting fees to a director and officer of the Company.

The Company's related party expenses are categorized as follows:

	2011	2010
	\$	\$
Salaries and benefits	937	-
Office and administration	168	-
Professional fees	123	191
Mineral properties	66	39
<b>Total related parties expenses</b>	<b>1,294</b>	<b>230</b>

**CONCORDIA RESOURCE CORP.***(Formerly Western Uranium Corporation)***MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

**Related Party Transactions** (continued)

The breakdown of expenses between the different related parties is as follows:

	2011 \$	2010 \$
Directors of the Company	796	230
WMM Services Corporation	498	-
<u>Total related parties expenses</u>	<u>1,294</u>	<u>230</u>

The prepaid expenses and deposits of the Company include the following amount:

	2011 \$	2010 \$
<u>Directors of the Company</u>	<u>15</u>	<u>-</u>

The liabilities of the Company include the following amounts due to related parties:

	As at September 30, 2011 \$	As at September 30, 2010 \$
Directors of the Company	-	4
WMM Services Corporation	9	-
<u>Total liabilities due to related parties</u>	<u>9</u>	<u>4</u>

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

**Commitments**

The Company's current corporate office lease payments are \$15 per month. The lease agreement can be cancelled by either party at any time subject to a three-month notice. The aggregate annual lease payments are due as follows:

Fiscal year 2012	\$180
Fiscal year 2013	\$15
<u>Total</u>	<u>\$195</u>

Mineral properties commitments described above.

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those disclosed under mineral properties.

#### Share Data Information

As at the date of this MD&A, there were 85,628 common shares, 7,080 stock options and 1,754 warrants outstanding.

#### Financial Instruments

The Company designated its financial instruments in accordance with the requirements of the CICA amended Section 3862, "Financial Instruments – Disclosures" as follows:

- Cash and cash equivalents are classified as "*Held-for-trading*". The fair value of the Company's cash and cash equivalents are classified as Level 1 within the fair value hierarchy established by CICA section 3862;
- Receivables are classified as "*Loans and Receivables*". The recorded values of receivables approximate their current fair value because of their nature and respective maturity dates or durations;
- Accounts payable and accrued liabilities are classified as "*Other Financial Liabilities*". The Company believes that the recorded values of accounts payable and accrued liabilities approximate their current fair value because of their nature and respective maturity dates or durations.

	Year ended September 30		
	2011	2010	2009
	\$	\$	\$
<b>Financial assets</b>			
Held-for-Trading			
Cash and cash equivalents	29,398	40,040	46,358
Loans-and-receivables			
Receivables	178	31	13
<b>Total financial assets</b>	<b>29,576</b>	<b>40,071</b>	<b>46,371</b>
<b>Financial liabilities</b>			
Other-financial-liabilities			
Accounts payable and accrued liabilities	648	129	132
<b>Total financial liabilities</b>	<b>648</b>	<b>129</b>	<b>132</b>

Additional financial instruments disclosure is contained in Note 12 of the Company's audited consolidated financial statements for the year ended September 30, 2011.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Investment in Western Lithium**

On July 16, 2008, the Company closed its statutory plan of arrangement with its wholly-owned subsidiary, Western Lithium Canada Corporation, which subsequently changed its name to Western Lithium USA Corporation or "Western Lithium". As part of the Arrangement, the Company's shareholders of record as of June 19, 2008, received one Western Lithium share for every three of the Company's shares held. Accordingly, 19,734 shares in Western Lithium were distributed to shareholders of the Company by way of an in-kind dividend and the Company retained 15,209 shares of Western Lithium.

On completion of the Arrangement, the Company no longer controlled Western Lithium and ceased to consolidate it from that date. On May 6, 2009, the Company made an additional investment in Western Lithium by purchasing 3,000 units of Western Lithium, priced at \$0.50 per unit for a total investment of \$1,500. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the Company to purchase an additional common share of Western Lithium for a period of 2 years at an exercise price of \$0.60 per share. On October 14, 2009, the Company purchased an additional 1,476 units of Western Lithium at a price of \$0.95 per unit pursuant to a private placement. Each unit consisted of one common share and one-half of a share purchase warrant, with each whole share purchase warrant being exercisable into one additional common share of Western Lithium at a price of \$1.25 per share for eighteen months. On March 10, 2011, the Company completed the sale transaction of the royalties and titles constituting substantially all of the Kings Valley mineral property and received in consideration from Western Lithium USA Corporation 5,855 common shares with a fair value of \$1.17 per share. On May 3, 2011, the Company purchased additional 3,000 common shares of Western Lithium pursuant to the exercise of 3,000 previously issued share purchase warrants at an exercise price of \$0.60 per warrant for a total investment of \$1,800.

The Company accounts for its investment using the equity method. Under the equity method, the Company recognized an equity loss of \$1,512 in Western Lithium for the year ended September 30, 2011 (2010 - \$1,252). The Company also recorded a \$1,092 (2010 -\$1,956) gain on dilution of interest in Western Lithium and \$336 (2010 - \$599) of its proportionate share of Western Lithium's contributed surplus for the same period.

As at September 30, 2011, and as at the date of this MD&A, the Company owned 28,540 or 28.34% of the issued and outstanding shares of Western Lithium and continues to account for its investment using the equity method.

#### **Risk and Uncertainties**

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company seeks to counter this risk as far as possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

A summary of the Company's financial instruments risk exposure is provided in Note 12 of the Company's consolidated financial statements for the years ended September 30, 2011 and 2010.

The following are additional risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

## **CONCORDIA RESOURCE CORP.**

(Formerly Western Uranium Corporation)

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Risk and Uncertainties** (continued)

*Metal Price Risk:* The Company's portfolio of properties has exposure to uranium, gold, silver and copper. The price of these metals is affected by numerous factors beyond the control of the Company including producer hedging activities, the relative exchange rate of the US dollar with other major currencies, demand, political and economic conditions and production levels. The price of these metals greatly affects the value of the Company and the potential value of its properties. The price of other metals and mineral properties that the Company may explore has similar price risk factors.

*Financial Markets:* The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

*Environmental Risk:* The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Environmental legislation is evolving in a manner that is expected to require stricter standards and enforcement, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for the Company. Changes in environmental legislation could delay and/or increase the cost of exploration and development of the Company's properties. Future environmental costs may increase due to changing requirements or costs associated with acquisition, exploration and development operation and closure of mine projects, and such projects may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

*Title Risk:* Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

*Permits and Licenses:* The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects. Furthermore, while it is common practice that permits and licenses may be renewed, extended or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that a renewal, extension, or a transfer will be granted to the Company, or if they are granted, that the Company will be in a position to comply with all conditions that are imposed.

*Industry:* The Company is engaged in the acquisition and exploration of resource properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable deposits. The focus of the Company is on areas in which the geological setting is well understood by management.

*Key-Individuals Risk:* The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Beyond key officers, the Company has relied on, and may continue to rely on, consultants for mineral exploration and exploitation expertise. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and operational personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success or may cause the Company to experience delays or increased costs in developing its properties. To date, the Company has not purchased "key-man" insurance with respect to any of its officers or key employees and has no current plans to do so.

## **CONCORDIA RESOURCE CORP.**

(Formerly Western Uranium Corporation)

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Risk and Uncertainties** (continued)

*Dependence on Consultants:* Because of its relatively small group of officers and staff, the Company has relied on, and may continue to rely on, professional and competent outside consultants in the field for mineral exploration and exploitation expertise in areas in which the Company has or may acquire properties. The Company strives to retain consultants who are competent and who carry out their work in accordance with professional and internationally recognized industry standards. However, in the absence of direct oversight in the field, if the work conducted by consultants is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring, exploiting and developing its properties.

*Political Risk:* While the governments in Argentina and Burkina Faso, where Concordia's material properties are located, have historically supported the development of their natural resources by foreign companies, there is no assurance that these governments will not in the future adopt different policies or new interpretations respecting foreign ownership or mineral resources, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital. Any limitation on transfer of cash or other assets between Concordia and its' subsidiaries could restrict the ability to fund operations and materially adversely affect the Company's financial condition and results of operation.

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. The Company's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Company's operations may be assessed, which could result in significant addition in taxes, penalties and interest.

The possibility that a future government in any of these countries may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in these countries.

*Surrounding Communities Relations:* The Company's properties in Africa and Argentina may be subject to the rights or asserted rights of various community stakeholders. Moreover, artisan miners may make use of some or all of the Company's properties in Africa which could interfere with exploration and development activities on such properties.

*Insufficient Insurance:* While the Company obtains insurance against certain risks in such amounts as the management considers adequate, available insurance may not cover all the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums and insurance coverage may not be available in the future or may not be adequate to cover any resulting loss. Insurance risks such as validity of ownership of unpatented mining claims and environmental pollution or other hazards as a result of exploration is not generally available to exploration companies on acceptable terms. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, materially adversely affecting the financial condition and results of operations.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Risk and Uncertainties** (continued)

*International Operations:* Concordia participates in mineral development projects located in emerging markets, including Burkina Faso, Gabon and the Democratic Republic of the Congo. Mineral exploration, development and production activities in these emerging markets are subject to significant political and economic uncertainties which may adversely affect the Company's operations. These uncertainties include, but are not limited to, the risk of war, terrorism, expropriation, nationalization, renegotiation or nullification of existing or future concessions and licenses, the imposition of international sanctions, a change in metal pricing policies, a change in taxation policies and the imposition of currency controls. These uncertainties, all of which are beyond the Company's control, could have a material adverse effect on Concordia's business, prospects and results of operations. In addition, if legal disputes arise related to mineral concessions and licenses acquired by Concordia, the Company could be subject to the jurisdiction of courts other than those of Canada. The Company's recourse may be very limited in the event of a breach by a government or government authority of an agreement covering a concession or license in which the Company has an interest. Concordia may require licenses or permits from various governmental authorities to carry out future exploration, development and production activities. There can be no assurance that Concordia will be able to obtain all necessary licenses and permits when required.

#### **Critical Accounting Estimates**

The Company's consolidated financial statements are prepared in accordance with Canadian GAAP and require management to make estimates and assumptions that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses.

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's audited consolidated financial statements for September 30, 2011 and 2010. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the Company's consolidated financial statements:

#### ***Mineral Properties and Deferred Costs***

All direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company is deferred on an individual property basis until the viability of a property is determined. Administration costs and general exploration costs are expensed as incurred. Shares issued for the mineral property are valued at fair value on the date on which the terms of the agreement were agreed to. When a property is placed in commercial production, deferred costs will be depleted using the units-of-production method. Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned then the costs are written-off, or if its carrying value has been impaired, then the mineral properties and deferred costs are written down to fair value.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of mineral property.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### ***Asset Retirement Obligations***

Asset retirement obligations are recognized when a legal or constructive obligation arises. This liability is recognized at the fair value of the asset retirement obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its estimated future value, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Company may incur a gain or loss. As at September 30, 2011, the Company does not have any asset retirement obligations.

#### ***Impairment of Long-lived Assets***

The Company reviews and evaluates the recoverability of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstance indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated.

EIC 174 provides that an enterprise that is in the development stage with initially capitalized exploration costs but has not established mineral reserves objectively and, therefore, does not have a basis for preparing a projection of the estimated future net cash flow from the property, is not obliged to conclude that the capitalized costs have been impaired. However, such an enterprise should consider whether a subsequent write-down of capitalized exploration costs related to mining properties is required.

#### ***Income Taxes***

The Company uses the liability method of accounting for future income taxes. Under this method of tax allocation, future income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the amounts reported in the consolidated financial statements and their respective tax bases and loss carryforwards, using substantively enacted tax rates and laws that are expected to be in effect in the periods in which the future income tax assets or liabilities are expected to be settled or realized. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Potential future income tax assets are not recognized to the extent that they are not considered more likely than not to be realized.

#### ***Stock - Based Compensation***

The Company accounts for stock options granted to directors, officers, employees and non-employees using the fair value method of accounting. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and stock-based compensation is accrued and charged to operations, with an offsetting credit to contributed surplus, on a graded-vesting basis over the vesting periods. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### ***Valuation of Equity Units Issued in Private Placements***

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants.

#### ***New Accounting Policies and Standards***

##### ***Issued but not Adopted Primary Sources of GAAP***

##### ***Business Combinations, Consolidated Financial Statements and Non-Controlling Interests***

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. Section 1582 replaces Section 1581 "Business Combinations" and establishes standards for the accounting for business combinations. It provides the Canadian equivalent to *International Financial Reporting Standards IFRS 3 "Business Combinations"*.

The section applies prospectively to the business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 provides guidance on accounting for any non-controlling interests subsequent to a business combination. Section 1602 is to be implemented concurrently with section 1582, *Business Combinations*. It is equivalent to the corresponding provisions of *International Financial Reporting Standard IAS 27 "Consolidated and Separate Financial Statements"* and applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. There was no impact from these pronouncements on the Company's financial statements.

##### ***International Financial Reporting Standards ("IFRS")***

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The effective changeover date for the Company is October 1, 2011. Following the timeline the Company will issue its first interim financial statements under IFRS for the three months ended December 31, 2011 including comparative IFRS financial results and an opening balance sheet as at October 1, 2010. The first consolidated financial statements will be prepared for the year ended September 30, 2012 with restated comparatives for the year ended September 30, 2011.

The Company has completed its analysis of significant differences between Canadian GAAP and IFRS and has commenced the process of transitioning its accounting basis to IFRS.

The following table summarizes the Company's primary IFRS conversion phases.

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### *International Financial Reporting Standards ("IFRS")* (continued)

Primary Phases		Current status
1) Scoping and Diagnostic	During the fiscal 2011, the Company completed its initial high-level impact assessment which included assessment to determine the financial reporting areas most likely to be affected by the conversion and the overall impact on transition to the new policies on the consolidated financial statements.	Completed
2) Impact and Analysis	The Company has evaluated specific changes required to existing accounting policies and identified new accounting policies to be adopted under IFRS in the following steps:	
<i>Business activities</i>	<ul style="list-style-type: none"> <li>As the accounting policies are being developed, the Company considers their impact on all material agreements prior to adoption.</li> </ul>	In progress
<i>Internal controls over financial reporting</i>	<ul style="list-style-type: none"> <li>The Company continues assessing the effectiveness of internal controls over financial reporting for all accounting changes identified. The Company does not expect to have any significant impact on the Company's internal controls over financial reporting upon adoption of these new accounting policies.</li> </ul>	In progress
<i>Disclosure controls and procedures</i>	<ul style="list-style-type: none"> <li>The Company does not expect any significant changes required to existing procedures over its disclosure controls and procedures upon adoption IFRS.</li> </ul>	
<i>Financial information systems</i>	<ul style="list-style-type: none"> <li>The Company has assessed its existing information system and concluded that it is sufficient and no significant changes will be required to report under IFRS</li> </ul>	In progress
<i>Training and consulting</i>	<ul style="list-style-type: none"> <li>The Company has provided necessary time to its key management staff to attend externally provided IFRS training sessions. The Company has hired additional IFRS expertise on a consulting basis to help with the transition to IFRS. During the next fiscal year, the Company intends to provide additional training to its staff as required and intends to work closely with its auditors to ensure its assessments on the adoption of IFRS are accurate. Members of the board of directors and audit committee have the required financial reporting expertise to ensure the successful transition to IFRS.</li> </ul>	Completed
1) Implementation and Review	This phase will include completion of formal documentation on transition to IFRS, approval by the Board of Directors, the preparation of an IFRS compliant opening balance sheet as at October 1, 2010, necessary conversion adjustments and reconciliations, preparation of pro-forma financial statements, note disclosures and disclosures required for the MD&A. The Company has completed review of the IFRS accounting policies to be adopted and will continue monitoring new accounting standard issued after the conversion period.	In progress

#### First-time Adoption Considerations

IFRS 1, "First Time Adoption of International Reporting Standards," provides guidance on the first time adoption of the IFRS standards with a number of optional and mandatory exemptions that provide alternatives to the retroactive application of the standard. The Company has evaluated all available IFRS 1 exemptions and those determined to be the most appropriate and beneficial for the Company will be adopted. So far, the Company decided to adopt the following optional exemption under IFRS 1:

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### *International Financial Reporting Standards ("IFRS")* (continued)

- The Company currently presents its Canadian GAAP financial statements in Canadian dollars. The Company does not intend to change the presentation currency under IFRS. As the parent company has a functional currency of Canadian \$ ("CA\$"), translation of the US\$ functional currency subsidiaries is required to the presentation currency of CA\$. The functional currency for each subsidiary has been assessed – a summary is presented below:

Name of entity	Canadian GAAP Measurement Currency	Existing Trial Balance currency	IFRS Functional Currency
Concordia Resource Corp.	CA\$	CA\$	CA\$
Meryllion Minerals Corp.	CA\$	CA\$	US\$
Meryllion Argentina SA	CA\$	Argentine Peso ("ARS")	US\$
Western Energy Development Corp.	CA\$	US\$	US\$
Ruby Hill Exploration Inc.	CA\$	CA\$	CA\$

- Due to the change in functional currencies the Company will need to take the IFRS1 exemption. This will result in reclassification of the cumulative currency translation adjustment (CTA) balance into retained earnings and rest the CTA to zero on transition to IFRS on October 1, 2011. The gain or loss on a subsequent disposal of any foreign operation should exclude translation differences that arose before the date of transition to IFRS.
- IFRS 1 provides two exemptions from retrospective application of IFRS 2 for equity settled transactions. The application of IFRS 2 to share-based payments granted before November 7, 2002, or share-based payments granted subsequent to November 7, 2002, that vested before the transition date. The Company intends to take the election exempting all options that have become fully vested as at the date of transition as it will simplify the conversion process.

The following table summarizes certain key areas where the accounting policies may differ significantly between IFRS and Canadian GAAP, and based on the management's assessment are expected to have at least a nominal impact on the Company's financial statements.

**CONCORDIA RESOURCE CORP.**

(Formerly Western Uranium Corporation)

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

*International Financial Reporting Standards (“IFRS”) (continued)*

Accounting Policy	Selected Policy Differences and Potential impact
<i>Mineral Properties and Deferred Costs</i>	<p><b>Current Policy:</b> Under the Company’s current accounting policy, direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company is capitalized.</p> <p><b>IFRS:</b> IFRS 6 allows an entity to select an accounting policy to either capitalize or expense exploration and evaluation expenditures until the point at which feasibility of a project has been demonstrated through definition of reserves or a feasibility study.</p> <p><b>Impact:</b> The Company will expense all exploration and evaluation costs except for expenditures associated with the acquisition costs, including amongst other costs, the lease payments to the government and legal costs associated with filing. As a result, the deferred exploration costs incorporated into the Mineral Properties and Deferred Costs’ balance sheet line item will decrease. As the deferred exploration costs will now be expensed, the deficit of the Company will increase compared to the previously stated Canadian GAAP financial statements. In addition, the line items of consolidated financial statements such as Mineral property, plant and equipment, depreciation and amortization may also be affected in the future.</p>
<i>Investment in Western Lithium</i>	<p>As the Investment in Western Lithium is accounted for using the equity method, the exploration and evaluation expenses will reduce the value of the investment, as well as the gain/loss on dilution, as these costs were previously deferred.</p>
<i>Asset Impairment</i>	<p><b>Current Policy:</b> Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows.</p> <p><b>IFRS:</b> IAS 36, “Impairment of Assets” uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). IFRS allows for the reversal of a previous write-down in the event of a recovery in value.</p> <p><b>Impact:</b> Currently the Company has no significant assets for which impairment testing is required. However, as events and circumstances of the Company’s operations change that give rise to impairment testing, IAS 36 will be applied.</p>

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### *International Financial Reporting Standards ("IFRS")* (continue)

<i>Share Based Payments</i>	<p><b>Current Policy:</b> Canadian GAAP allows either accelerated or straight-line method of amortization for the fair value of stock options under graded vesting.</p> <p><b>IFRS:</b> IFRS 2 allows using the graded-vesting method of amortization only.</p> <p><b>Impact:</b> Currently, the Company is using the graded-vesting method and is compliant with IFRS 2 for all grants.</p> <p><b>Current Policy:</b> Canadian GAAP allows recognizing the entire expense and then adjusting for forfeiture when they occur.</p> <p><b>IFRS:</b> IFRS requires that forfeitures be estimated at the time of grant to eliminate distortion of remuneration expense recognized during the vesting period. The estimate should be revised if subsequent information indicated that actual forfeitures are likely to differ from previous estimates.</p> <p><b>Impact:</b> Company is currently using the estimate of forfeitures when determining the number of equity instruments expected to vest. Upon adoption of IFRS 2, the Company will be fully compliant with the new standard and the adoption is not expected to have an impact on the financial statements.</p>
<i>Foreign Currency</i>	<p><b>Current Policy:</b> Under Canadian GAAP, the Company's activities and those of its subsidiaries denominated in currencies other than Canadian dollars are translated as integrated operations using the temporal method.</p> <p><b>IFRS:</b> IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity's financial results and position should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). As events and conditions relevant to the Company change, management will need to re-consider the primary and secondary indicators, as described in IAS 21, in determining the functional currency for each entity.</p> <p><b>Impact:</b> Based on the criteria presented under IAS 21, the functional currency for Concordia Resource Corp. and Ruby Hill Exploration Inc. has been assessed as Canadian dollars, the functional currency for Meryllion Minerals Corp. and Western Energy Development Corporation has been assessed as US dollars, and the functional currency for Meryllion Argentina SA has been assessed as US\$/Argentine peso. The Company currently presents its Canadian GAAP financial statements in Canadian dollars and does not intend to change the presentation currency under IFRS.</p>

## CONCORDIA RESOURCE CORP.

(Formerly Western Uranium Corporation)

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### *International Financial Reporting Standards ("IFRS")* (continue)

<i>Future Income Taxes</i>	As the Company is in the exploration and development phase, there are limited impacts relating to future income taxes.
<i>Flow through shares</i>	<p>Current Policy: Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares. These instruments permit the Company to renounce (i.e. transfer) the tax deductions associated with an equal value of qualifying resource expenditures to the investor. The proceeds from the issuance of flow-through shares need to be allocated between the offering of the flow-through shares and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company incurs the expenditures, at which point the liability is reversed and recorded as a tax recovery on the statement of loss. The Company records a deferred tax liability on the date that the expenditures are incurred. At the time of recognition of the deferred tax liability, an offsetting entry is made to tax expense.</p> <p>There is no IFRS guidance that specifically addresses accounting for flow-through shares, but it is generally agreed that the method required by the SEC is appropriate. Under IFRS, the flow through shares will have to be accounted for in a specific manner. Under this treatment, the net impact will result in an increase in share capital and a decrease in profit and loss.</p>

The Company may adopt other IFRS changes, which are not presented in the above table. The list highlights areas where the management expects the impact of transition will be the greatest based on the current IFRS. The IFRS continue to issue new standards and as a result the final impact of IFRS on the Company's financial statements are currently not known. The Company will disclose the impact of IFRS adoption in due course as policies are issued, elected and approved. The disclosure and presentation required under IFRS will contain a significantly more information and will result in extensive note disclosures.

#### *Capital Disclosure*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, contributed surplus, and accumulated other comprehensive income and deficit. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if available. The Company was not subject to externally imposed capital requirements during the year ended September 30, 2011.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2011.

## **CONCORDIA RESOURCE CORP.**

*(Formerly Western Uranium Corporation)*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

(All amounts are in thousands, except per share amounts; Canadian dollars, unless otherwise stated)

#### **Investor Relations**

Edward Flood, CEO and Director, Toby Mayo, President, and Karl Cahill, VP Investor Relations, coordinates investor relations' activities.

#### **Change in Directors and Management**

Toby Mayo was appointed as President of the Company effective November 17, 2011.

On March 31, 2011, at the Company's AGM, the shareholders approved the addition of Mr. Terry Krepiakevich as a director of the Company. Mr. Krepiakevich is a Chartered Accountant, certified by the Institute of Chartered Accountants of British Columbia and adds a financial expertise to the Company's Board and its Audit Committee.

Ed Flood, previously Chairman of the Company, was appointed as Chairman, President and Chief Executive Officer effective December 31, 2010. Pamela Klessig resigned as President and CEO of Concordia effective December 31, 2010. Ms. Klessig remains as a director and entered into a consulting agreement with the Company.

Kevin Hisko, Partner at the Company's counsel McCullough O'Conner Irwin LLP, was appointed Corporate Secretary of the Company effective December 31, 2010. Eileen Au has resigned as Corporate Secretary of the Company also effective as of December 31, 2010.

Borden Putnam was appointed to the Company's board of directors effective January 25, 2011. Mr. Putnam replaces Colin Macdonald, a Cameco nominee, who resigned from the board in December 2010.

Toby Mayo was appointed as Senior Vice President, Corporate Development effective March 8, 2011.

Tracy Hansen was appointed as Corporate Secretary of the Company and replaced Kevin Hisko, effective March 8, 2011.

Karl Cahill was appointed as Vice President, Investor Relations, effective June 1, 2011.

#### **Forward Looking Statements**

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its properties and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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#### **Forward Looking Statements (continue)**

- uncertainties relating to receiving mining and exploration permits in Africa, US, and Argentina;
- the impact of increasing competition in uranium, gold, silver and copper business;
- unpredictable changes to the market prices for gold, silver and copper;
- exploration and developments costs for its properties;
- availability of additional financing or joint-venture partners;
- anticipated results of exploration activities;
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A, volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral exploration; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and/or joint venture partners and unpredictable weather conditions.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.