INDEPENDENCE GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FORM 51-502F1
For the period from incorporation November 1, 2011 to December 31, 2011

This Management's Discussion and Analysis ("**MD&A**") reviews the activities of Independence Gold Corp. and its wholly-owned subsidiaries, Golden Pavilion Resources Ltd. and Silver Quest Resources (US) Ltd. (collectively, "**Independence**" or the "**Company**") from the incorporation of Independence on November 1, 2011 through December 31, 2011. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the period ended December 31, 2011. A copy of the audited statements is filed under the Company's profile on the SEDAR website at www.sedar.com and on the Company's website at www.ingold.ca.

Independence was incorporated under the Business Corporation Act (British Columbia) on November 1, 2011 as a wholly-owned subsidiary of Silver Quest Resources Ltd. ("**Silver Quest**"). On November 4, 2011, Silver Quest, Independence and New Gold Inc. ("**New Gold**") entered into an arrangement agreement whereby New Gold would acquire all the outstanding common shares of Silver Quest. The arrangement completed on December 23, 2011.

As part of the arrangement and before New Gold acquired all the Silver Quest shares, the net assets of Silver Quest (except for the Davidson and Capoose mineral properties) were transferred to Independence in exchange for Independence shares which were then distributed by Silver Quest to its shareholders. Effective upon the completion of the arrangement, Silver Quest shareholders received 0.09 of a New Gold share and $0.0001 in cash for each Silver Quest share held and one common share of Independence for every three Silver Quest shares held. The Independence shares commenced trading on the TSX Venture Exchange (the "**Exchange**") on December 29, 2011 under the symbol "IGO".

The Company's head office and principal address is 1410 - 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N8. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The Company is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain mineral resources.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and Interpretations issued by the International Financial Reporting Interpretations Committee.

The information contained in this document is provided as of April 24, 2012 (the "**Report Date**").

Overview

Independence acquired an experienced board of directors and officers, together with a number of employees and exploration properties when it was spun out from Silver Quest when the latter company was acquired by New Gold.

Independence explores for gold and silver, with property holdings that are located in central British Columbia and the Yukon Territory. The Company's projects range from early-stage grassroots exploration through advanced-stage resource delineation and expansion. The Company's business model is to build shareholder value through systematic project advancement while concurrently maintaining an opportunistic approach to the acquisition of additional precious metals projects. Independence intends to actively manage its property portfolio, farming out or dropping properties when exploration results suggest that further expenditures by the Company are unwarranted.

Since its formation, the Company's exploration staff and management have been evaluating the results generated by the sampling and drilling programs completed in the 2011 field season on the Company's mineral properties and developing exploration plans and budgets for the upcoming field season.

Independence has no producing operations and as a consequence, the Company does not generate any operating income or a positive cash flow. Exploration of its properties is therefore entirely dependent on the Company's ability to access public equity markets to raise sufficient capital and/or its ability to attract joint venture partners to finance further work on its properties. However, with working capital of approximately $15,100,000 at December 31, 2011, Independence is adequately financed to support significant exploration programs in both 2012 and 2013.

Mineral Projects

Independence currently holds interests in one exploration project in central British Columbia and several projects in the Yukon Territory. With the exception of the British Columbia project, the projects are at an early stage of exploration and evaluation, and no resources have been identified.

3Ts Project, British Columbia

The 3Ts Project is located approximately 120 kilometres southwest of Vanderhoof and consists of five contiguous properties: the Tsacha, Tam, Taken, Tommy Lakes and Bot properties. Collectively, the five properties are made up of twelve mineral claims covering approximately 4,272 hectares in the Nechako Plateau region of central British Columbia. Independence owns a 100% interest in all five properties, which are subject to various net smelter return ("**NSR**") royalties that are payable to the vendors of the properties.

The 3Ts Project covers an epithermal quartz-carbonate vein system within which more than a dozen individual mineralized veins, ranging up to 650 metres ("**m**") in strike length and up to 20 m in true width, have been identified. The 2011 prospecting program at the 3Ts property resulted in the discovery of mineralized vein float or boulders in the area north of the Mint Vein. The best boulder assayed 8.31 g/t gold with 56.3 g/t silver, and six other boulders contained greater than 1.0 g/t gold. Glacial transport direction within the area indicates that the bedrock source for this mineralized float is an as yet undiscovered quartz-carbonate vein located to the west of the mineralized float. Further prospecting is planned for areas to the west of the mineralized float, and also within other parts of the project area.

The Tommy, Ted and Mint veins contain Inferred Resources detailed below at various gold cut-off grades. These veins remain open at depth and along strike.

Gold Cut-off Grade	Tonnes	Gold Grade (g/t)	Gold Ounces	Silver Grade (g/t)	Silver Ounces
			Tommy Vein		
0.5 g/t	1,614,810	3.99	207,089	39.65	2,058,936
1.0 g/t	**1,490,415**	**4.25**	**203,816**	**41.92**	**2,008,768**
1.5 g/t	1,370,715	4.52	199,028	44.32	1,953,354
2.0 g/t	1,181,727	4.96	188,542	47.99	1,823,604
			Ted Vein		
0.5 g/t	2,654,676	1.86	159,001	105.98	9,046,031
1.0 g/t	**1,813,573**	**2.37**	**138,287**	**124.43**	**7,256,227**
1.5 g/t	1,358,246	2.75	120,041	127.96	5,586,009
2.0 g/t	888,914	3.36	94,303	105.45	3,014,157
			Mint Vein		
0.5 g/t	310,084	5.24	52,279	63.17	629,840
1.0 g/t	**310,084**	**5.24**	**52,279**	**63.17**	**629,840**
1.5 g/t	310,084	5.24	52,279	63.17	629,840
2.0 g/t	309,367	5.25	52,245	63.26	629,304

Gold Cut-off Grade	Tonnes	Gold Grade (g/t)	Gold Ounces	Silver Grade (g/t)	Silver Ounces
		Total Inferred Resources			
0.5 g/t	4,579,570	2.84	418,370	79.69	11,734,806
1.0 g/t	**3,614,072**	**3.39**	**394,383**	**85.15**	**9,894,835**
1.5 g/t	3,039,045	3.80	371,348	83.60	8,169,203
2.0 g/t	2,380,008	4.38	335,090	71.44	5,467,065

The well-mineralized vein float boulders at the Ringer Target area (as described in the Company's NI 43-101 technical report filed on SEDAR) and in other parts of the 3Ts project indicate potential to discover new mineralized veins.

Boulevard Project, Yukon Territory

The Company has an option to acquire a 100% interest in the project which initially consisted of 238 contiguous claims in the Whitehorse Mining District covering 4,940 hectares. The project has been enlarged through a purchase option agreement in respect of eight mining claims (165 hectares) and staking of additional mining claims. The project now consists of 1,763 mining claims covering approximately 36,840 hectares.

The project is strategically located approximately 35 kilometres due south of Kinross Gold Corporation's Golden Saddle discovery and is contiguous to Kaminak Gold Corporation's Coffee project, approximately 135 kilometres south of Dawson City.

Gold mineralization at Boulevard is associated with quartz-carbonate veins in chlorite-biotite schist.

Work at Boulevard has included geochemical soil sampling, diamond drilling and geological mapping. Much of this work was designed to better-define and evaluate the Boulevard Trend, which is comprised of gold-, arsenic-, antimony- and molybdenum-in-soil anomalies that occur over a distance of 20 kilometres and were identified as a result of 2010 geochemical soil sampling by Silver Quest (see news release dated January 17, 2011).

Henderson Property, Yukon Territory

The Henderson property is owned 100% by the Company. The property consists of 742 mining claims covering an area of approximately 15,500 hectares and is located in the Dawson Mining District, approximately 60 kilometres south of Dawson City, Yukon.

The property covers an area of active placer mining, and is strategically located west of Kinross' JP Ross property and east of Redtail Metals Corp.'s Lucky Joe property.

Final data from geochemical soil sampling has been received and drill targets have been identified. In addition, an airborne geophysical (radiometric and magnetic) survey was completed over the property in 2011. The final, processed survey results have been received and are being evaluated.

Results of Operations

Independence is in the business of exploring for precious metal deposits. The Company has no producing properties and consequently no sales or revenues from operations.

The Company's accounting policy is to capitalize all costs to acquire and explore mineral properties until the property to which they relate is placed into production, sold or abandoned. As abandonment decisions are largely driven by exploration results, the amounts written-off from quarter to quarter can be highly variable and unpredictable in advance of the receipt of those results and other information relating to the underlying value of the properties in question.

The Company recorded a loss and comprehensive loss for the period from incorporation on November 1, 2011 to December 31, 2011 of $3,066,990, all attributable to the write-off of mineral properties. The Company did not have operational expenses during the period, as it did not commence operations until the beginning of January, 2012.

Summary of Quarterly Results

Because the Company did not commence operations until January, 2012, its financial results for the period from its incorporation on November 1, 2011 to December 31, 2011 were a loss of $3,066,990 ($0.53 per share), wholly attributable to the write-off of capitalized costs on the Prospector Mountain property in the Yukon, which has been returned to the optionor.

Selected Annual Information

Fiscal Year:		**2011 For the period from incorporation Nov. 1 to Dec. 31**
(a) Net sales or total revenue	$	Nil
(b) Net loss:		
(i) Total (000s)	$	3,067
(ii) per share[1]	$	0.53
(c) Total assets (000s)	$	30,932

Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

Liquidity and Capital Resources

Independence has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Independence will continue to rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for precious metal exploration generally, a company's track record and the experience and calibre of a company's management.

There is no assurance that Independence will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various shocks that could adversely affect the Company's ability to raise additional funds going forward.

One of the components of the arrangement agreement entered into between New Gold, Silver Quest and Independence on November 4, 2011 was that New Gold agreed to subscribe on a private placement basis to that number of Independence shares that would result in New Gold holding 9.9% of the issued and outstanding Independence common shares for a total consideration of $3,500,000 in cash. At closing a total of 4,278,115 Independence shares were issued to New Gold pursuant to the private placement.

Another component of the arrangement agreement was that at closing New Gold advanced Independence $1,000,000 by way of an unsecured, non-interest bearing loan, repayable at any time prior to maturity pursuant to the terms a loan agreement entered into between New Gold and Independence. The loan is evidenced by a promissory note issued by Independence to New Gold which will be due and be repaid: (i) upon and from the proceeds of the exercise of Independence warrants; (ii) upon the completion of and from the proceeds of any equity financing of Independence; and (iii) in any event will be fully due and repaid on July 13, 2013.

At December 31, 2011, the Company had 1,695,766 warrants outstanding, at a weighted average price of $0.72 per share.

Cash and Financial Condition

The Company's working capital was approximately $15,100,000 at December 31, 2011, which is expected to be sufficient to cover anticipated operating costs and the costs to be incurred on the exploration programs on its properties during the 2012 and 2103 summer field seasons. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing with exploration of projects that are generating positive results.

Independence has no debt other than for the $1,000,000 owed to New Gold pursuant to the unsecured non-interest bearing loan, does not have any unused lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use additional debt financing and does not use hedges or other financial derivatives.

Financial Instruments

The Company's financial instruments currently consist of cash and cash equivalents, short-term investments, receivables, exploration advances, and accounts payable and accrued liabilities. The fair value of cash and cash equivalents and short-term investments are measured based on Level 1 of the fair value heirarcy. The fair value of receivables, exploration advances and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

New IFRS standards not yet adopted

The Company has not yet adopted the following revised or new IFRS that have been issued but are not yet effective at December 31, 2011:

- IFRS 9, Financial Instruments (effective January 1, 2015) introduces new requirements for the classification and measurement of financial assets and liabilities.
- IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities (all effective January 1, 2013) provide guidance on the accounting treatment and associated disclosure requirements for joint arrangements and associates, and a revised definition of "control" for identifying entities which are to be consolidated.
- IFRS 13, Fair Value Measurement (effective January 1, 2013) provides new guidance on fair value measurement and disclosure requirements.
- IAS 1, Presentation of Financial Statements (effective for annual periods beginning on or after July 1, 2012) requires that elements of other comprehensive income that may subsequently be recycled through profit and loss be differentiated from those items that will not be recycled.
- IAS 19, Employee Benefits (effective January 1, 2013) introduces changes to the accounting for defined benefit plans and other employee benefits that include modification of the accounting for termination benefits and classification of other employee benefits.
- IAS 27, Separate Financial Statements and IAS 28, Investments in Associates and Joint Ventures (both effective for annual periods beginning on or after January 1, 2013) were revised and reissued to align with the new consolidation guidance.

The Company is currently assessing the impact that these new accounting standards may have in the consolidated financial statements.

Related Party Transactions

The Company did not enter into any transactions with related parties and key management personnel during the period ended December 31, 2011.

Key Management Personnel
Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Risk Factors

As a company active in the mineral resource exploration and development industry, Independence is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented comprehensive safety and environmental measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of the Company's properties are still in the exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by Independence will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company.

There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Competition

The mining industry is intensely competitive in all of its phases and the Company competes with other companies with greater technical and financing resources than itself with respect to acquiring properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

Independence is dependent on the equity markets as its principal source of operating working capital and the Company's ability to attract investment is 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. The unsustainably large deficits being incurred by governments in western economies to finance stimulus programs have heightened the risk of sovereign credit defaults, the bail-outs of Greece notwithstanding. In addition, the "beggar thy neighbour" policies that have been adopted by several countries to manipulate their currency exchange rates for competitive advantage in export markets are exacerbating trade tensions. If these issues adversely affect investors' risk tolerance, it could sharply curtail the opportunities for companies in the junior exploration sector to complete financings on reasonable terms.

Environmental and Government Regulation

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Title to Properties

While the Company has investigated title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. The Company does not carry title insurance on its properties. A successful claim that the Company does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Negotiations with First Nations' groups can add an additional layer of risk and uncertainty to efforts to explore and develop mineral deposits in many areas of Canada. Many land claims remain unresolved, in spite of negotiations between governments and First Nation's groups spanning many years.

Inflation

In the recent past, while inflation had not been a significant factor, the ongoing efforts of many governments to improve the availability of credit and stimulate domestic economic growth means that many of them are incurring substantial deficits, which may be sowing the seeds for a period of substantial inflation and/or currency depreciation in the future.

Government actions

The Company's exploration activities require permits from various governmental agencies charged with administering laws and regulations governing exploration, labour standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection and other matters. Failure to comply with laws, regulations and permit conditions could result in fines and/or stop work orders, costs for conducting remedial actions and other expenses. In addition, legislated changes to existing laws and regulations could result in significant additional costs to comply with the revised terms and could also result in delays in executing planned programs pending compliance with those terms.

There is no assurance that the government of any jurisdiction in which the Company holds properties will not change environmental regulations or taxation policies in a manner that would adversely affect the economic viability of those properties.

Outstanding Securities Data

On the Report Date, the Company had 43,213,012 common shares issued and outstanding or 44,908,778 common shares on a fully diluted basis. On that date, there were 1,695,766 warrants outstanding, with conversion prices ranging from $0.45 to $0.78, expiring between August 26, 2012 and January 29, 2013. Cash proceeds generated through the exercise of the warrants must be applied against the principal outstanding under the $1,000,000 unsecured loan advanced by New Gold.

Outlook

Independence has identified an inferred resource on the 3Ts project on the Nechako Plateau in British Columbia and has assembled a significant land position in several districts in the Yukon. Management anticipates an active field season during fiscal 2012. The proposed work plans include geologic mapping, soil sampling and trenching directed at identifying drill targets on recently-acquired properties, together with additional drilling on the Company's more advanced exploration projects.

Subsequent Events

On January 2, 2012, the Company entered into a management agreement with a company controlled by a director which requires the Company to pay $21,666 per month for geological consulting, management and administrative services. The agreement contains clauses which provide between 24 and 36 months remuneration should the contract be terminated or certain specified transactions occur.

On March 1, 2012 the Company granted 3,200,000 incentive stock options to directors, officers, employees, and consultants of the Company at a price of $0.35 per share until March 1, 2017.

On March 12, 2012 the Company entered into two Letters of Intent ("**LOIs**"), with Lucky Strike Resources Ltd. ("**Lucky Strike**") to explore and advance the Grizzly and Aspen properties located in the White Gold District, Yukon. Under the terms of the LOIs, Lucky Strike may acquire an initial 60% interest in the Grizzly and the Aspen properties by making aggregate cash payments of $200,000, issuing a total of 600,000 shares and incurring an aggregate $3,000,000 in exploration expenditures. After vesting of a 60% interest, Lucky Strike may acquire an additional 10% interest in the two properties by making additional cash payment of $250,000, issuing an additional 500,000 shares and incurring an additional $2,500,000 in exploration expenditures on the properties. Independence will act as the operator for both the Grizzly and the Aspen projects during the first year of the LOIs.

FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements to which it is a party, and reduction or elimination of its joint venture interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.