

SUB CAPITAL INC.

MANAGEMENT DISCUSSION AND ANALYSIS
Three months ended July 31, 2010 and 2009

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

The Management Discussion and Analysis (“MD&A”) of SUB Capital Inc. (the “Company” or “SUB”) for the three months ended July 31, 2010 and 2009 has been prepared by management in accordance with the requirements of National Instrument 51-102 as of September 23, 2010 and should be read in conjunction with the interim financial statements and related notes thereto of the Company as at and for the three months ended July 31, 2010 and 2009 and the audited financial statements and related notes thereto of the Company, as at and for the years ended April 30, 2010 and 2009, which were prepared in accordance with Canadian generally accepted accounting principles.

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “plans”, “intends”, “anticipates”, “should”, “estimates”, “expects”, “believes”, “indicates”, “suggests” and similar expressions.

This MD&A, in particular the “Outlook” section, contains forward-looking statements. These forward-looking statements, including without limitation: statements about the Company’s plans to seek a business opportunity and outlook; interpretations and discussion of possible alternatives in seeking business opportunities. As such all forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. It is important to note that: unless otherwise indicated, forward-looking statements in this MD&A describe the Company’s expectations as of September 23, 2010. Readers are cautioned not to place undue reliance on these statements as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; any applicable future prices of products that might relate to the development of a business opportunity; accidents, labor disputes and other relevant business risks; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled “Risk Factors” appearing elsewhere herein. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize; and subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

The material assumptions that were applied in making the forward looking statements in this MD&A include: execution of the Company’s existing plans or its on-going search for new business opportunities and any related financing that will be required, either of which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or searches; and, the accuracy of the current perspective that on-going or proposed exploration projects can be financed.

Company Overview

The Company was incorporated under the laws of Canada on November 9, 2005. The Company’s is currently designated as inactive and its shares are currently trading on the NEX Exchange. The Company’s main focus is to identify a business, property or an asset with the objective of acquiring them or an interest therein.

On June 25, 2010, the Company entered into an option agreement to acquire a 75% interest in a property located in Saskatchewan. The proposed transaction will constitute as the Company’s Change of Business under the policies of the TSX Venture Exchange (“Exchange”). If the acquisition is completed, the Company

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

will be classified as a Tier 2 Mining Issuer of the Exchange. On September 23, 2010, the Company received Exchange acceptance of its Change of Business and effective September 24, 2010, the Company's common shares will transfer from the NEX Board to the Exchange as a Tier 2 Mining Issuer and will commence trading on the Exchange under the trading symbol "SUB". See "*Change of Business*".

Results of Operations

Three months ended April 30, 2010 compared with three months ended April 30, 2009

During the three months ended July 31, 2010, the Company reported a net loss of \$28,179 or \$0.002 per share compared to a net loss of \$1,497 or \$0.0004 per share during the three months ended July 31, 2009, representing an increase in loss of \$26,682. The increase in loss was primarily attributable to an increase in general and administrative expenses.

General and administrative expenses increased by \$26,682 from \$1,497 during the three months ended July 31, 2009 to \$28,179 during the three months ended July 31, 2010. The increase resulted from increases in consulting and management fees of \$7,500, interest and bank charges of \$111, office, rent and administration of \$4,061, professional fees of \$7,412, regulatory fees of \$3,450, transfer agent of \$3,198 and travel and promotion of \$950.

The overall increase in general and administrative expenses was attributable to increased corporate activity as a result of the Company's proposed Change of Business and related transactions such as private placement financings on April and May 2010 and management changes. During the three months ended July 31, 2009, the Company's operations were restricted to sustaining the NEX listing and seeking new business opportunities to reactivate the Company, hence, minimal operating expenses were incurred.

Summary of Quarterly Results

Quarter ended	Interest Income	Income (Loss)	Earnings (Loss) per share
	\$	\$	\$
July 31, 2010	-	(28,179)	-
April 30, 2010	-	(157,567)	(0.03)
January 31, 2010	-	(58,954)	(0.02)
October 31, 2009	-	(14,361)	(0.02)
July 31, 2009	-	(1,497)	-
April 30, 2009	-	(82,341)	(0.01)
January 31, 2009	-	(41,397)	(0.02)
October 31, 2008	-	172,015	0.07
July 31, 2008	-	(35,294)	(0.01)

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

Change of Business

On June 25, 2010, the Company entered into an option agreement with Unity Energy Corp. ("Unity") whereby the Company has been granted an option (the "Option") to earn a 75% interest in the Thorburn Lake Property located within the Athabasca Basin, in the La Ronge Mining District of northern Saskatchewan (the "Property").

Unity currently has an option to acquire a 100% undivided interest in the Property pursuant to an agreement dated February 22, 2010 with GWN Investment Ltd. ("GWN") by paying GWN an aggregate of \$610,000 over a period of three years, issuing 750,000 common shares of Unity to GWN and incurring \$2,500,000 in exploration expenditures on the Property as follows:

- a) paying GWN \$10,000 and issuing to GWN 750,000 shares of Unity on or before March 1, 2010 (completed);
- b) paying GWN a further \$100,000 on or before December 31, 2011;
- c) paying GWN a further \$200,000 on or before December 31, 2012;
- d) paying GWN a further \$300,000 on or before December 31, 2013; (payments set out in (b) through (d) are hereinafter referred to as the "Underlying Payments"); and
- e) incurring \$2,500,000 in exploration expenditures prior to February 22, 2014.

In addition, there is reserved to GWN a 1% net smelter return ("NSR") which may be purchased at any time by Unity by paying GWN \$1,000,000 less all amounts previously received by GWN as NSR payments.

The Company may exercise the Option by:

- a) paying Unity \$30,000 within three business days of Exchange approval (paid subsequent to July 31, 2010); and
- b) making the Underlying Payments directly to GWN as outlined above; and
- c) incurring \$2,400,000 in exploration expenditures prior to February 22, 2014, including not less than \$200,000 on or before December 31, 2011.

The Company has the right to terminate the Option at anytime by giving 30 days' notice subject to a requirement to meet any unsatisfied obligations that shall have accrued up until such termination.

The Property consists of one mineral disposition comprising approximately 4,966 hectares, located within the Athabasca Basin, in the La Ronge Mining District of Northern Saskatchewan. The Property is situated approximately 17 kilometers east of Cameco's Cigar Lake mine, the world's second largest known high-grade unconformity-related uranium deposit, with a NI 43-101-compliant Proven and Probable Mineral Reserves estimate of over 209 million pounds of U3O8. The target of interest on the Property is uranium mineralization located below, above, or across the major structural unconformity between Athabasca Basin sandstones and underlying meta-sedimentary rocks.

Subsequent to July 31, 2010, the Company has received Exchange acceptance of its Change of Business and effective September 24, 2010, the Company's common shares will transfer from the NEX Board to the Exchange as a Tier 2 Mining Issuer and will commence trading on the Exchange under the trading symbol "SUB".

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

Liquidity and Capital Resources

The Company has financed its operations and met its capital requirements primarily through the sale of capital stock and from loans from related parties. The Company's main source of liquidity consisted of cash and cash equivalents. As at July 31, 2010, the Company had cash and cash equivalents of \$390,717 representing an increase of \$227,234 compared with cash and cash equivalents of \$163,483 at April 30, 2010.

The Company's cash and cash equivalents at March 31, 2010 were held for working capital purposes and were invested primarily in Guaranteed Investment Certificates.

The Company reported working capital of \$369,751 at July 31, 2010 as compared to working capital of \$337,382 as at April 30, 2010, representing an increase in working capital by \$32,369. Cash and cash equivalents increased by \$227,234 from \$163,483 at April 30, 2010 to \$390,717 at July 31, 2010. The increase in cash resulted mainly from net proceeds received from private placements of \$278,838 offset by outflows of cash for operations of \$41,059 and deferred costs of \$10,545.

Current assets excluding cash at July 31, 2010 consisted of amounts receivable of \$14,817, prepaid expenses and deposits of \$4,896 and deferred costs of \$10,545 as compared to share subscription receipts in transit of \$218,290 and amounts receivable of \$10,439 at July 31, 2009.

During the three months ended July 31, 2010, the Company closed a non-brokered private placement of 805,001 units at \$0.09 per unit for gross proceeds of \$72,450. The Company paid a finder's fee consisting 80,500 common shares at a deemed price of \$0.09 per share for a gross consideration of \$7,245 and legal fees of \$11,902 totaling \$19,147.

During the year ended April 30, 2010, the Company closed a non-brokered private placement of 6,011,078 units at \$0.09 per unit for gross proceeds of \$540,997. The Company paid a finder's fee consisting 489,463 common shares at a deemed price of \$0.09 per share for a gross consideration of \$44,051 and legal fees of \$27,000 totaling \$71,051.

As at the date of this MD&A, the other source of funds currently potentially available to the Company are through the exercise of the following outstanding exercisable options:

Number of options	Exercise price	Expiry date
311,000	\$0.135	February 15, 2015
600,000	\$0.125	April 7, 2015
136,000	\$ 0.22	September 23, 2020
1,047,000		

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

and the following share purchase warrants:

Number of warrants	Exercise price	Expiry date
125,000	\$2.000	January 12, 2012
916,666	\$1.500	May 9, 2012
343,686	\$1.000	December 12, 2012
6,011,078	\$0.125	April 28, 2011
805,001	\$0.125	May 27, 2011
8,201,431		

However, there can be no assurance that these outstanding convertible securities will be exercised, particularly if the trading price of the common shares on the Exchange does not exceed, by a material amount and for a reasonable period, the exercise price of such convertible securities at some time prior to their expiry dates.

The Company presently has sufficient funds to continue its anticipated ongoing operations through the end of fiscal 2011. However, these funds are insufficient to cover the following anticipated exploration and option commitments for the next three years: \$300,000 by December 31, 2011, an additional option commitment of \$200,000 by December 31, 2012, an additional option commitment of \$300,000 by December 31, 2013 and a total of \$2,200,000 in exploration expenditures by February 22, 2014. Accordingly, the Company will need to secure additional financing if it wishes to maintain its interest in the Thorburn Lake Property.

Although the Company has previously been successful in raising the funds required for its operations, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is in the process of acquiring and exploring its interests in a resource property and has not yet determined whether this property contain mineral deposits that are economically recoverable. The recoverability of expenditures incurred to earn an interest in this resource property are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the property, obtaining necessary financing to explore and develop the property, and upon future profitable production or proceeds from disposition of its resource property.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transaction with Related Parties

During the three months ended July 31, 2010 and 2009, the Company entered into the following transactions with directors, officers and companies controlled by them:

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

	2010	2009
	\$	\$
Management fees	3,750	-
Office, rent and administration	3,300	-
Share issue costs	11,902	-
Legal fees	1,988	-
Interest paid	-	13,495
Premium paid	-	11,208
	20,940	24,703

The Company received a \$60,000 loan from a company controlled by an officer of the Company pursuant to a loan agreement dated August 16, 2010. The loan has a term of one year maturing August 31, 2011 and bears interest at 12% per annum.

Included in prepaid expenses was a rent deposit of \$1,200 (April 30, 2010 - \$Nil) and prepaid rent of \$3,696 (April 30, 2010 - \$Nil) paid to companies with an officer in common.

Included in accounts payable and accrued liabilities was a legal fee of \$12,934 (April 30, 2010 - \$9,800) payable to a company with an officer in common.

These transactions are in the normal course of business operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Subsequent Events

The following events occurred subsequent to July 31, 2010:

- The Company has received Exchange acceptance of its Change of Business See "*Change of Business*".
- The Company arranged for loans totaling \$120,000 pursuant to loan agreements dated August 16, 2010. The loans have a term of one year maturing August 31, 2011 and bear interest at 12% per annum. Of the \$120,000 loan, \$60,000 is payable to a company controlled by an officer of the Company.
- The Company granted an aggregate of 136,000 stock options to directors, officers and employees of the Company at a price of \$0.22 per share expiring ten years from date of grant.

Recent Accounting Pronouncements

- International Financial Reporting Standards ("IFRS")

In February 2008, the CICA confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal year beginning on or after January 1, 2011 with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company's reporting no later than in the first quarter ended July 31, 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures. The transition may also

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements.

The Company has completed a preliminary assessment of how each IFRS standard impacts the financial statements. It was initially determined that the area of accounting difference that will likely be impacted based on existing IFRS will be impairment of assets and the initial adoption of IFRS under the provisions of IFRS 1 "First-Time Adoption of IFRS". In addition, the Company anticipates a significant increase in disclosure resulting from the adoption of IFRS and is continuing to assess the level of disclosure required.

(b) Business Combinations

CICA Handbook Section 1582, "Business Combinations", replaces Section 1581, "Business Combinations", and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 – "Business Combinations". This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. . Early adoption is permitted. The Company does not expect to adopt this standard prior to January 1, 2011, at which time it expects to adopt the equivalent IFRS standard.

(c) Consolidations and Non-Controlling Interests

Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests", replace Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS standard, IAS 27 (Revised), "Consolidated and Separate Financial Statements". The Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. The Company does not expect to adopt this standard prior to January 1, 2011, at which time it expects to adopt the equivalent IFRS standard.

Financial Instruments and Other Instruments

The Company manages its exposure to financial risks, including foreign exchange risk and interest rate risk, based on a framework to protect itself against adverse rate movements. All transactions undertaken are to support the Company's ongoing business and the Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company's Board of Directors oversees management's risk management practices.

As at July 31, 2010, the Company's financial instruments consist of cash and cash equivalents, amounts receivable, deposits, and accounts payable and accrued liabilities.

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

The risk exposure is summarized as follows:

a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less. The interest on cash and deposits is typical of Canadian banking rates, which are low at present and the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalent and amounts receivable. The Company has reduced its credit risk by investing its cash equivalents in guaranteed investment certificates with a Schedule 1 Canadian chartered bank. Also, as the majority of its receivables are with the Governments of Canada in the form of goods and services tax recoverable, the credit risk is considered minimal.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. At of July 31, 2010, the Company had enough funds available to meet its financial liabilities and future financial liabilities from its commitments through the end of fiscal 2011. The Company handles liquidity risk through the management of its capital structure.

In the management of capital, the Company includes the components of shareholders' equity, as well as cash.

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; to pursue the development of a business interest; and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk.

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. To maintain or improve its liquidity, the Company will have to issue new shares, issue new debt, or, acquire or dispose of assets all in the effort to optimize liquidity by raising or conserving cash.

The Company is dependent on the capital markets as its sole source of operating capital. Its 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 investor support of its projects.

The Company has no debt and is not subject to externally imposed capital requirements.

There were no changes in the Company's management of capital during the three months ended July 31, 2010.

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

Controls and Procedures

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Summary of Outstanding Share Data

Authorized and issued common shares:

(a) Authorized:

Unlimited number of common shares without par value.

(b) Issued and fully paid:

	Number of Shares	Amount
Balance, April 30, 2009	3,118,498	\$ 3,553,483
Common shares issued for cash	6,011,078	540,997
Finder's fees	489,463	44,051
Share issue costs	-	(71,051)
Balance, April 30, 2010	9,619,039	4,067,480
Common shares issued for cash	805,001	72,450
Finder's fees	80,500	7,245
Share issue costs	-	(19,147)
Cancellation of escrow shares	(109,245)	(42,931)
Balance, July 31, 2010 and September 23, 2010	10,395,295	\$ 4,085,097

SUB CAPITAL INC.

Management Discussion & Analysis
Three months ended July 31, 2010 and 2009

(c) Stock options:

As of September 23, 2010, the following stock options were outstanding:

Number of options	Exercise price	Expiry date	Exercisable
311,000	\$0.135	February 15, 2015	311,000
600,000	\$0.125	April 7, 2015	600,000
136,000	\$ 0.22	September 23, 2020	136,000
1,047,000			1,047,000

(d) Warrants:

As of September 23, 2010, the following warrants were outstanding:

Number of warrants	Exercise price	Expiry date
125,000	\$2.000	January 12, 2012
916,666	\$1.500	May 9, 2012
343,686	\$1.000	December 12, 2012
6,011,078	\$0.125	April 28, 2011
805,001	\$0.125	May 27, 2011
8,201,431		

Additional disclosures pertaining to the Company's prospectus, news release and other information are available on the SEDAR website at www.sedar.com.