

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

This Management's Discussion and Analysis ("MD&A"), prepared as of November 28, 2011 (the "Report Date"), reviews the activities of Endurance Gold Corporation and its US subsidiary ("Endurance", or the "Company") and compares the financial results for the nine month period ended September 30, 2011 with the comparable period in 2010.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting* and IFRS 1, *First-Time Adoption of IFRS*, and the related notes. Refer to Notes 2 and 3 of the Company's previously reported condensed interim consolidated financial statements for the three months ended March 31, 2011 for disclosure of the Company's significant accounting policies. All monetary amounts are in Canadian dollars unless otherwise noted.

Additional information relating to the Company is available for viewing on the Company's website at www.endurancegold.com or on SEDAR at www.sedar.com.

Overview

Endurance (formerly 6172342 Canada Ltd.) was incorporated under the provisions of the *Canada Business Corporations Act* on December 16, 2003 and continued into British Columbia on August 16, 2004. Endurance is a company focused on the exploration and development of mineral properties in North America. The Company's current commodity focus is on gold, rare earth, nickel and copper. The Company's common shares have been listed and traded on the TSX Venture Exchange (the "Exchange") under the symbol "EDG" since August 4, 2005.

The Company's properties are in the exploration stage and the Company has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the exploration and evaluation assets and upon future profitable production or proceeds from the disposition thereof.

The Company formed a 100% owned U.S. subsidiary, Endurance Resources Inc. ("ERI"), on October 28, 2008 to acquire and evaluate several exploration project opportunities in the United States.

Exploration Activities

The Company incurred \$527,183 in exploration expenditures, which amount was partially offset by a \$50,000 option payment received during the current nine month period ended September 30, 2011. The costs were primarily related to the Company's expenditures on the Bandito Option and the Fuego Property in the Yukon, and the McCord Creek Property in Alaska.

Considerable effort has been directed at the evaluation of new acquisition opportunities for the Company with evaluations primarily focused on the Americas.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

Bandito Property, Yukon, Canada (Option to earn 75%)

In August 2010, the Company entered into an option agreement with True North Gems Inc. ("TGX"), whereby the Company can earn up to a 75% interest in the Bandito property located in the Watson Lake district, Yukon Territory. Under the terms of the agreement, Endurance can earn an initial 51% joint venture interest in the Bandito property by completing a total of \$125,000 (\$25,000 paid) in cash payments by December 31, 2012 and also completing \$1,000,000 in exploration expenditures by December 31, 2013 with an exploration work commitment of \$25,000 in 2010. Endurance has exceeded its 2011 cumulative work requirements of \$175,000 required to be completed by December 31, 2011. Once Endurance earns its 51% interest, it has a further option that will allow Endurance to acquire an additional 24% interest (total 75%) by issuing TGX 200,000 shares of Endurance and by completing an additional \$1,000,000 in exploration expenditures prior to December 31, 2015.

The Bandito property is 253 claims or about 5,300 hectares. Most of the new claims staked since the initial acquisition are located within the area of mutual interest of the agreement with TGX.

The Bandito property is underlain by Proterozoic-aged argillite, quartzite and andesite-jasper breccia which have been intruded by Proterozoic-aged (650 Ma) reddish coloured nepheline syenite (**Red Syenite**) with pegmatitic, fine grained and coarse grained phases. The north trending Beaver River Thrust truncates the Proterozoic assemblage on the west edge of the property, with younger Paleozoic sediments on the north, east and west sides of the property. An approximate nine-square kilometre area of the Syenite and host rocks has been altered through potassium and sodium metasomatism and the introduction of hematite and sometimes magnetite.

Alteration occurs both within the Red Syenite, which is fluorite enriched, iron oxide and sericite altered, and in the adjoining Proterozoic-aged sediments in which the host rocks have been hornfels and variably altered to potassium feldspar, albite, carbonates, arfvedsonite, riebeckite, aegirine, specular hematite, chlorite, magnetite, sphene, zircon, monazite, xenotime, pyrochlore, fluorite, ferrocolumbite, and apatite (**Fenite**).

The Bandito property was explored from the mid 1970's through 1987 for rare earth elements (**REE**) and thorium-uranium, with some encouraging results for REE in multiple samples over the nine square kilometre altered area associated with the Fenite and Red Syenite. True North Gems Inc. explored the property for gemstones and nickel between 2004 and 2006.

Rare Earth Results - The REE results of the rock sampling for the 2011 field program are summarized in a release dated October 12, 2011. The most significant prospects sampled this year include two highlight trenches on the South Fenite Trend which returned the following results:

South Fenite trenches		
northern	2.65% TREO+Y	Over 6 metres
	Including 3.85% TREO+Y	Over 4 metres
southern	1.38% TREO+Y	Over 8 metres
	Including 2.08% TREO+Y	Over 5 metres

The South Fenite trench (northern) averages 10.3% heavy rare earth oxides (HREO). A short drill hole tested the north eastern contact of this zone in 2011 with assays pending.

2011 Soil sampling indicates that there are large unexplained rare earth soil anomalies up to 1.8 kilometre long by up to 400 metre wide in the Red Syenite, and smaller but significant rare earth soil anomalies associated with Fenite that warrant additional exploration.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

For the nine month period ended September 30, 2011

Niobium – Tantalum Results - In addition to encouraging REE results in rock samples, the 2011 exploration program confirmed elevated niobium results over a large area. For instance, north east of the South Fenite trench and hosted within the Red Syenite, initial reconnaissance scale sampling has identified a significant niobium-tantalum prospect. A grab sample contained 1.3% Nb₂O₅ (9,100 ppm Nb), and 0.094% Ta₂O₅ (768 ppm Ta). In addition to this higher grade niobium-tantalum prospect, other peak values in the Red Syenite include 0.22% Nb₂O₅ over 3.0 metres, 0.312% Nb₂O₅ (grab), and 0.243% Nb₂O₅ (grab). In the North Fenite, South Fenite and Copper Pass Fenite (2.9 kilometres strike) about thirty (30) samples from the 2011 program returned values greater than 1,000 parts per million ("ppm") niobium (greater than 0.143% Nb₂O₅) including values up to 0.429% Nb₂O₅ over 1 metre and 0.21% Nb₂O₅ over 6 metres.

2011 Soil sampling indicates that there are large unexplained niobium-tantalum soil anomalies of 1.4 kilometres long by up to 600 metres wide in the Red Syenite and smaller but significant niobium – tantalum soil anomalies associated with Fenite that warrant additional exploration.

Nickel – Copper Results - The nickel and copper results of the rock sampling for the 2011 field program are summarized in a release dated October 18, 2011. The Nickel Discovery Zone was discovered in 2004 with the collection of grab samples in 2004, 2005 and 2006 which assay up to 11.35% nickel. In 2011, representative samples were collected from six prospect pits over a thirteen (13) metre width at the Nickel Discovery Zone. These pits average 0.8% nickel. The pits are distributed evenly across 13 metres of a quartz-sericite-pyrite stock work alteration zone ("QSP Alteration").

In addition to the Nickel Discovery Zone, six other copper and copper-nickel showings have been identified and sampled extending the area of known nickel and copper prospects to 580 metres by 200 metres in the Gossan Target area. All of the copper showings are coincident with the QSP Alteration which imparts the gossan. Two of the copper showings were systematically chip sampled from trenches with the following results:

<i>Gossan Target - Copper Pass Area - Copper Trenches</i>		
Eastern	1,294 ppm Copper, 974 ppm Zn	
	0.21% Nb ₂ O ₅ , 0.28% TREO+Y	Over 6 metres
Western	1,251 ppm Copper and 993 ppm nickel	Over 5 metres

Additional showings were identified by grab sampling of copper mineralization with results including:

- The "Tree Zone" with a value of 1.76% copper;
- The "South Zone" with a sample that grades 1.22% copper;
- The "North Talus Prospect" two samples with 1,275 ppm and 1,050 ppm copper; and
- The "Far East Prospect" two samples with 1,205 ppm and 1,240 ppm copper. One sample also contains 2,060 ppm nickel.

The anomalous base metal soils from the 2011 soil sampling program encompass an area of 1,000 metres by up to 600 metres width centered on the combined Nickel Discovery Zone and an area of the Six Copper Prospects (580 by 200 metres) In addition, two new nickel-copper soil anomalies were identified that are similar in size to the *Discovery Zone* nickel-copper soil anomaly.

McCord Gold Property, Alaska, USA - (100% interest)

In September 2010, ERI acquired by staking a 100% interest in 14 Alaska State mineral claims encompassing over 2,200 acres located in Fairbanks District in Alaska, USA.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

The McCord property is located in the eastern extension of the Livengood gold district and immediately adjoins International Tower Hill's ("ITH") Livengood Property on the eastern side. The McCord claims were located to cover the stream catchment area for two encouraging gold anomalies (110 parts per billion ("ppb") and 61 ppb gold ("Au")) in stream sediment samples collected from McCord Creek in 1982 and re-analysed by the State of Alaska Division of Geological and Geophysical Surveys ("DGGs") in 2005. The Livengood district has not been glaciated and therefore the stream sediment gold anomalies are interpreted to represent a source area within the McCord Creek drainage catchment.

The historic stream sediment gold results on McCord Creek compare favourably with the best analytical gold values of 201 ppb, 73 ppb, and 72 ppb Au from ITH's Money Knob discovery area on the immediately adjoining ITH property in the same 2005 DGGs survey. In April 2011, as part of its preliminary economic assessment, ITH reported in-situ measured, indicated and inferred resource (*at 0.50 grams per tonne ("gpt") cut-off*) of 13.3 million ounces of gold, centered on the Money Knob discovery (see the ITH website for complete disclosure).

Based on government maps, the geology in the McCord Creek area is interpreted to consist of Proterozoic to Paleozoic sedimentary and volcanic rocks near an ophiolitic thrust assemblage of mafic volcanics that has been cross-cut by Cretaceous-aged intrusives. This geological setting is similar to ITH's adjoining property.

A program of grid-based soil sampling, geological mapping, and prospecting was completed in October 2011. Analytical results are pending.

Rattlesnake-Natrona Gold Project, Wyoming, USA - (100% interest)

In 2009 and 2010, the Company, through ERI, acquired a 100% interest in ten (10) properties totalling over 3,840 acres in the Rattlesnake Hills area of Wyoming.

Five of the ERI properties immediately adjoin Agnico-Eagle's and Evolving Gold Corporation's Rattlesnake Hills property where significant gold mineralization has been discovered at the North Stock Target and Antelope Target. ERI's most prospective properties are located between 1.7 and 4.0 kilometres from the North Stock Target area on the Agnico-Eagle - Evolving Gold property. The geologic setting of the Endurance properties and the Agnico-Eagle - Evolving Gold discovery are similar to large scale alkalic intrusive hosted gold deposits within the Rocky Mountain alkalic gold province, that include Cripple Creek, in Colorado. The Cripple Creek district has produced 21 million ounces of gold to date.

In May 2011, Evolving Gold announced a deal with Agnico-Eagle that provides Agnico-Eagle the option to earn a 70% interest in Evolving Gold's property by carrying Evolving Gold through completion of a feasibility study. To earn the 70% interest, Agnico-Eagle is also required to make payments to Evolving Gold totaling \$12 million, to purchase Evolving Gold's common shares for a total amount of \$23 million, and to expend a minimum of \$41 million on exploration/development work on the project.

The Endurance properties were targeted to cover areas underlain by Tertiary phonolite (alkalic) intrusions, emplaced into Precambrian aged metavolcanics. This geological environment is identical to that hosting Evolving Gold's North Stock and Antelope Basin discoveries, where gold mineralization occurs in brecciated zones within and adjacent to the alkalic intrusions, and extends into the surrounding schists of the Precambrian country rock.

Mapping in 2009 and 2010 by Endurance has confirmed the presence of eight Tertiary alkalic intrusions on five of the Company's ten properties. Zones of intense brecciation and shearing were noted on one of the properties and two other properties contained areas of moderate iron staining indicative of weathered sulphide mineralization within or near to the intrusions. In 2009 and 2010, two programs which included geological mapping, rock sampling, soil sampling and ground geophysics were completed. During these programs, one grab sample of the brecciated material returned a gold analysis of 0.66 gpt Au. Elsewhere, soil anomalies up to 213 ppb Au were detected.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

Field mapping and whole rock geochemistry completed by Endurance confirms that the eight intrusives that outcrop on four of Endurance's properties are alkalic phonolites. Petrographic studies indicate that the phonolites host accessory magnetite. On one property, diatreme to crackle brecciated schists were observed in outcrop and petrographic studies of this breccia observed both a k-feldspar alteration assemblage cross cut by a latter quartz-iron oxide-albite-chlorite alteration assemblage. Iron oxide alteration includes the observation of specular hematite. This breccia and alteration is associated with the elevated gold values and is at the contact with an alkali phonolite intrusive. This geological setting has strong analogies to the Agnico-Eagle - Evolving Gold North Stock gold discovery.

A controlled source audio-magnetotelluric ("CSAMT") geophysical survey of 15.1 line kilometres was undertaken on the Company's BC and TMS properties by Quantec Geoscience USA Inc. in 2009. The BC and TMS properties adjoin the Agnico-Eagle - Evolving Gold Property and are located four kilometres northwest and 1.7 kilometres northeast respectively of the northern end of the North Stock discovery. On the BC property a strong CSAMT conductive anomaly (approximately 400 x 100 metres) correlates with the mapped contact of one of the two Tertiary phonolite (alkalic) intrusives mapped on the property. On the TMS property, a CSAMT resistive anomaly correlates with both an interpreted regional structure and the mapped contact of a 500 metre diameter Tertiary phonolite (alkalic) intrusive. On the Agnico-Eagle - Evolving Gold North Stock discovery to the south, these similar intrusive margins are host to diatreme breccias containing significant gold mineralization.

The encouraging geological setting of the company's properties and the favourable exploration results generated on the Evolving Gold and Agnico-Eagle property, justify further exploration activities on the Company's properties including additional geophysics and drilling. A program of additional geophysics currently remains in the planning stages.

Fuego Property, Yukon – (100% interest)

Endurance owns a 100% interest in 26 Yukon quartz claims located in the Watson Lake district, Yukon Territory. The claims were staked to cover a previously mapped intrusive syenite and/or trachyte breccia. The breccia on Fuego is similar to breccia mapped on the Bandito property. Historic sampling suggests that the Fuego property also hosts potential for shale-hosted zinc and lead mineralization.

A program of prospecting, rock sampling, reconnaissance soil sampling and additional claim staking was completed in 2011. Results are currently being compiled.

Vana Property, Alaska, USA - (100% interest)

In September 2010, ERI acquired by staking a 100% interest in 22 Alaska State mineral claims encompassing over 3,200 acres located in Fairbanks District in Alaska, USA.

The Vana property is located adjacent to Tolovana Hot Springs Dome ("**THSD**") which is 19 miles southwest of the community of Livengood, Alaska and ITH's Livengood deposit. The Vana claims were located to cover six stream catchment areas which together returned encouraging arsenic, bismuth, and silver geochemical anomalies in stream sediment samples that drain the Tolovana Hot Springs Dome. The stream sediments were collected in 1982 and re-analysed by the DGGs in 2005.

In the THSD area, nineteen stream samples were anomalous, with the highest reported values from the 2005 DGGs Survey at 141 ppm arsenic, 2.95 ppm bismuth and 1.13 ppm silver. Arsenic, bismuth and silver are often pathfinder geochemical elements associated with intrusive-related gold mineralization. These results encompass a combined catchment area of about five by three kilometres that is anomalous in the pathfinder elements for gold. The THSD area has not been glaciated and therefore the stream sediment anomalies are interpreted to represent a source area within the combined catchment area around the Tolovana Hot Springs Dome. The THSD area is underlain by Oligocene to Paleocene-aged granitic rocks.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

Eight reconnaissance soil samples have now been collected, but a larger program of grid-based soil sampling and prospecting is still warranted. No sampling program was conducted on the property during 2011.

Pardo Property, Ontario, Canada (100% interest, subject to farm-out dilution to 45%)

Endurance owns a 100% interest in the 3,312 hectares "Pardo" Property, located 65 kilometres northeast of Sudbury, in east-central Ontario. The original Vendors have retained a 3% net smelter return royalty, of which one-half can be purchased for \$1,500,000 at any time.

The road accessible property covers a sequence of Proterozoic aged rocks of the Mississagi Formation, a basal unit of the Huronian Supergroup sedimentary assemblage that forms the 15,000 square kilometre Cobalt Embayment.

Gold mineralization defined to date on the Pardo Property is spatially associated with pyritic and quartz pebble bearing portions of the Mississagi Formation conglomerates, at or proximal to the unconformity. The widespread occurrence of low grade gold mineralization associated with the basal conglomerate on the Pardo Property, and the potential size of the target, warrants further drilling programs.

Prior to 2009, Endurance completed approximately \$1,000,000 in exploration on the claim block, including trenching and two drilling campaigns totaling 1,626 metres in 97 holes. Intercepts up to 2.01 gpt Au over 8.4 metres were returned from Endurance's drilling program.

In 2009, the Company entered into an option agreement with Mount Logan Resources Ltd., a private company that assigned its option to Ginguro Exploration Inc. ("Ginguro"). Ginguro can initially earn a 55% interest followed by a second option to earn up to a 70% interest in the Pardo Property. Until such time as Ginguro completes its earn-in (55% or 70%, as applicable), the Pardo Property claims will continue to be 100% owned by Endurance.

Under the terms of its option agreement with Endurance, Ginguro can earn an initial 55% interest in the property by completing \$1,000,000 in exploration expenditures and making cash payments totaling \$200,000 (\$150,000 received) to Endurance over a three year period. On completion of its 55% earn-in, Ginguro has a one-time option to increase its ownership interest to 70%, by completing an additional \$1,000,000 in exploration and making a further cash payment of \$250,000 to Endurance.

Since acquiring the option in 2009, Ginguro has announced the completion of 17 drill holes in 2009 with an additional 137 drill holes completed in 2010. In addition Ginguro has completed metallurgical testwork on several large samples from surface pits and trenches on the Pardo property. Ginguro has identified a gold bearing channelized conglomerate "reef" that has now been expanded to approximately 3,600 metres long by 400 metres wide. The reef remains open along the channel extension. Ginguro have not completed any drilling on the Endurance property in 2011 but reports minor drilling on their adjoining property.

Ginguro are currently compiling the results of the exploration completed in 2010 and completing the reports necessary to perfect their initial earn-in option.

Dogpaw Project, Ontario, Canada (24 claims 25% JV interest)

The Dogpaw Lake Property is located approximately 40 kilometres east of Kenora, in northwestern Ontario. The property is now comprised of 24 mining claims all situated within the Kenora Mining Division.

In 2007 Endurance entered into an option agreement with Metals Creek Exploration (MEK), whereby MEK could acquire a 75% interest in 14 claims comprising 60 units in the Dogpaw Lake area of northwestern Ontario. Since that date, MEK has increased the size of the property through staking within an area of mutual interest and it has earned its 75% interest through issuing 450,000 shares to EDG and completing \$450,000 in exploration expenditures. In early 2010, the two companies completed a 75% MEK / 25% EDG joint venture agreement.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

Exploration focus is in the Flint Lake, Stephens Lake and Bag Lake areas. Prospecting in August 2010 by MEK within the Stephens Lake claim block resulted in the discovery of a new zone of mineralization with grab sample assays ranging from 1.68 to 11.04 gpt Au. During 2010, a program of line-cutting, prospecting and induced polarization ("IP") geophysics was active on the Dogpaw joint venture.

Endurance participated in partially funding its 25% joint venture share of exploration programs on the MEK joint venture in 2009 and 2010. Endurance has not funded any exploration activity in 2011.

Nechako Gold Property, British Columbia, Canada (75% JV interest)

The property is located 75 kilometres west of Quesnel, and covers an area of widespread low grade gold mineralization drill defined by Lac Minerals in the mid to late 1980's. The mineralization is primarily hosted in flat lying, hematitic coarse chert bearing conglomerates of the Skeena Group.

No exploration work was completed during the current period and no work is currently planned on the Nechako Gold Project. The property is currently owned 75% by Endurance, and 25% by Amarc Resources Ltd.

Other Properties, Canada (100% interest)

The Company has an inactive exploration and evaluation asset in British Columbia in which it owns a 100% interest without any vendor royalties. In addition, the Company retains NSR interests in two exploration and evaluation assets in Ontario.

Results of Operations

Nine months ended September 30, 2011

The Company's net loss for the nine month period ended September 30, 2011 was \$412,292 or \$0.01 per common share, as compared to a net loss of \$383,510 or \$0.01 per common share for the same period in 2010. The net loss in the current nine month period is inclusive of interest income of \$2,927 (2010 - \$3,675); a realized loss on sales of marketable securities of \$214 (2010 - \$nil); and an unrealized loss on marketable securities of \$84,786 (2010 - \$22,000).

General and administrative expenses before other items for the nine month period ended September 30, 2011, totaled \$330,219 (2010 - \$365,185), \$34,966 lower than comparable expenses incurred in the same period last year. The variance was mainly attributable to:

- Business development and property investigation expenses totaled \$51,874 (2010 - \$75,470), a decrease of \$23,596. During the current period, an additional \$33,075 (2010 - \$39,870) in management fees were included in business development and property investigation expenses.
- Corporate communications expenses totaled \$23,238 (2010 - \$5,003), an increase of \$18,235. The increase was mainly related to the expenses incurred associated with the redesign of the Company's website and also the increased investor relations activities during the current nine month period. During the current period, an additional \$5,850 (2010 - \$nil) in management fees were included in Corporate communication expenses.
- Management fees totaled \$94,410 (2010 - \$134,130), a decrease of \$39,720. During the current nine month period, an additional \$96,300 (2010 - \$55,440) in management fees were capitalized to exploration and evaluation assets and included in property investigation and corporate communication expenses.
- Office and administrative totaled \$53,789 (2010 - \$42,038), an increase of \$11,751. The increase was primarily due to moving expenses and costs associated with the renovations to the Company's new office. The Office and administrative expenses also included insurance expenses of \$12,882 (2010 - \$14,604), office rent and services expenses of \$25,922 (2010 - \$21,139); travel expenses of \$1,419 (2010 - \$3,690).
- Professional fees totaled \$37,040 (2010 - \$16,380), an increase of \$20,660. The increase was primarily due to costs associated with the transition to and adoption of IFRS reporting during the current nine month period.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

- Stock-based compensation expense (a non-cash charge) of \$57,180 (2010 - \$79,050), incurred as a result of the vesting of 300,000 (2010 – 1,250,000) stock options granted during the current nine month period.

Three months ended September 30, 2011

The Company's net loss for the three months ended September 30, 2011 was \$65,961 or \$0.00 per common share, as compared to a net loss of \$82,754 or \$0.00 per common share for the same period in 2010. The net loss in the current three month period is inclusive of interest income of \$694 (2010 - \$2,149) and an unrealized loss on marketable securities of \$4,800 (2010 –\$2,000).

General and administrative expenses before other items for the current three month period ended September 30, 2011, totaled \$61,855 (2010 - \$82,903), \$21,048 lower than the comparable expenses incurred in the same period of prior year. The variance was mainly attributable to:

- Business development and property investigation expenses totaled \$6,750 (2010 - \$20,662), a decrease of \$13,912. During the current period, an additional \$6,750 (2010 - \$9,720) in management fees were included in business development and property investigation expenses.
- Corporate communications expenses totaled \$7,422 (2010 - \$702), an increase of \$6,720. The increase was due to the increased investor relations activities and an additional \$2,250 (2010 – nil) in management fees were included in Corporate communication expenses during the current quarter.
- Management fees totaled \$25,935 (2010 - \$35,430), a decrease of \$9,495. During the current period, an additional \$32,400 (2010 - \$25,290) in management fees were capitalized to exploration and evaluation assets, and included in property investigation and corporate communication expenses.
- Office and administrative totaled \$8,947 (2010 - \$23,325), a decrease of \$14,378. The decrease was primarily due to an unrealized foreign exchange gain of \$6,161 (2010 – a loss of \$8,289) recorded as a result of currency exchange variations on its US dollar cash position.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the three months ending on September 30, 2011 are summarized in the table below.

Quarter Ended:	IFRS							CDN
	Sept. 30 2011	June 30 2011	Mar. 31 2011	Dec. 31 2010	Sept. 30 2010	June 30 2010	Mar. 31 2010	GAAP Dec. 31 2009
Net sales or total revenue (\$000s)	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) from continuing operations:								
(i) in total (000s)	\$ (62)	\$ (168)	\$ (178)	\$ (58)	\$ (83)	\$ (103)	\$ (198)	\$ (123)
(ii) per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Net income or loss:								
(i) in total (000s)	\$ (62)	\$ (168)	\$ (178)	\$ (58)	\$ (83)	\$ (103)	\$ (198)	\$ (123)
(ii) per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

(1) Basic and diluted losses per share are the same, as the effect of potential issuances of shares under stock option agreements would be anti-dilutive.

- The net loss reported in the third quarter of 2011 includes an unrealized loss on marketable securities of \$4,800 and an unrealized gain on foreign exchange of \$6,161.
- The net loss reported in the second quarter of 2011 includes stock-based compensation of \$57,180 incurred as a result of the vesting of 300,000 stock options; an unrealized loss on marketable securities of \$33,600 and an unrealized loss on foreign exchange of \$447.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

For the nine month period ended September 30, 2011

- The net loss reported in the first quarter of 2011 includes a realized loss on sales of marketable securities of \$214; an unrealized loss on marketable securities of \$46,386 and an unrealized loss on foreign exchange of \$4,631.
- The net loss reported in the fourth quarter of 2010 includes a realized loss on marketable securities of \$7,605, an unrealized gain on marketable securities of \$90,210; an unrealized loss on foreign exchange of \$9,361.
- The net loss reported in the third quarter of 2010 includes an unrealized loss on marketable securities of \$2,000 and an unrealized loss on foreign exchange of \$8,289.
- The net loss reported in the second quarter of 2010 includes stock-based compensation of \$30,900 incurred as a result of the vesting of 500,000 stock options, an unrealized gain on marketable securities of \$6,000 and an unrealized gain on foreign exchange of \$14,284.
- The net loss reported in the first quarter of 2010 includes an unrealized loss on marketable securities of \$26,000, stock-based compensation of \$48,150 incurred as a result of the vesting of 750,000 stock options.
- The net loss reported in the fourth quarter of 2009 includes a write-down of \$80,417 in exploration and evaluation assets costs, an unrealized gain on marketable securities of \$18,001 and an exploration mining tax credit of \$36,474 from the B.C. government.

The Company's operations and business are not driven by seasonal trends, but rather the achievement of project milestones such as the achievement of various geological, technical, environmental and socio-economic objectives as well as receipt of financings to fund these projects.

The operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as stock-based compensation, exploration costs expensed or written down, professional fees, listing and transfer agent fees, corporation communications and office expenses. Management of the Company believe that meaningful information about our operations cannot be derived from an analysis of quarterly fluctuations unless the reader examines in more detail the information presented in the quarterly and annual financial statements. See "Results of Operations".

Liquidity and Capital Resources

The exploration and evaluation assets of the Company are in the exploration stage and, as a result, the Company has no operations that generate cash flow. The Company finances its activities primarily by the sale of its equity securities or from the sale of an interest in its properties in whole or in part.

The Company does not use debt financing to fund its property acquisitions and exploration activities and has no current plans to use debt financing.

The Company has no stand-by credit facilities, or any off-balance sheet arrangements and it does not use hedges or other financial derivatives.

Cash and Financial Conditions

The Company's cash position was \$586,707 at September 30, 2011 (\$534,882 at December 31, 2010), an increase of \$51,825. The increase in cash position was primarily due to two non-brokered private placements completed during the current period. The Company had working capital of \$687,615 at September 30, 2011, as compared to \$649,429 at December 31, 2010.

The Company's current working capital position may not provide it with sufficient liquidity to meet its current and future exploration activities. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the equity markets. There can be no assurance that the Company will succeed in obtaining additional financing. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

Investing Activities

During the nine month period ended September 30, 2011, the Company's cash flow used for investing activities was \$424,836 (2010 - \$152,235) in exploration and evaluation assets, all of which represented acquisition and exploration costs that were capitalized; \$50,000 (2010 - \$50,000) in exploration and evaluation asset recovery during the current nine month period.

Financing Activities

During the current nine month period ended September 30, 2011, the Company closed two non-brokered private placements.

In August 2011, the Company closed a non-brokered private placement of 1,750,000 units (the "Unit") at a price of \$0.20 per Unit for gross proceeds of \$350,000. Each Unit consists of one common share and one half non-transferable common share purchase warrant (the "Warrant"). Each whole Warrant is exercisable into one common share at a price of \$0.30 per share for a period of 12 months from the date of closing. The financing was fully subscribed by the Company's insiders.

In March 2011, the Company closed a non-brokered private placement raising gross proceeds of \$540,000 by issuing 4,500,000 flow-through shares at a price of \$0.12 per flow-through share. A total of 220,000 flow-through shares were subscribed by two directors of the Company.

During the nine month period ended September 30, 2010, shareholders including three directors of the Company acquired a total of 7,960,000 common shares of the Company through the exercise of 7,960,000 of the 8,000,000 share purchase warrants that otherwise would have expired on March 30, 2010. The Company received \$796,000 from the exercise of the warrants. The warrants were issued primarily to insiders in connection with a non-brokered private placement transaction of 8,000,000 Units in March 2009. Each Unit consisted of one common share and one share purchase warrant, exercisable at a price of \$0.10 per share until March 30, 2010.

Outstanding share data as at the Report Date:

On the Report Date, the Company had 53,722,586 common shares outstanding or 58,097,586 shares on a fully diluted basis as follows:

	No. of Shares	Exercise Price	Expiry Date
Employees Stock Options	3,500,000	\$0.10 - \$0.21	Oct. 11, 2012 to Apr. 28, 2016
Warrants	875,000	\$0.30	Aug. 9, 2012

Transactions with related parties

Included in accounts payable and accrued liabilities is \$29,880 (2010 - \$29,673) due to related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the interim period ended September 30, 2011, the Company entered into the following related party transactions:

- a) Paid to Mclvor Geological Consulting, a private company controlled by the late President, Duncan Mclvor, an aggregate amount of \$nil (2010 - \$30,000) for administration management fees.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

- b) Paid to Cooper Jack Investments Limited, a private company controlled by the current President and director, Robert Boyd, an aggregate amount of \$145,710 (2010 - \$114,570), of which \$57,375 (2010- \$15,570) was capitalized as geological project management fees, \$49,410 (2010 – \$59,130) was expensed as administration management fees, \$5,850 (2010 – nil) was expensed as corporate communication expenses, and \$33,075 (2010 - \$39,870) was expensed as business development and property investigation.
- c) Paid to T.P. Cheng & Company Ltd., a private company controlled by officer, Teresa Cheng, \$45,000 (2010 - \$45,000) for administration management fees.
- d) Paid or accrued to Adera Company Management Ltd., a private company controlled by director, J. Christopher Mitchell, an aggregate amount of \$4,975 (2010 - \$3,425) for consulting fees included in business development and property investigation.
- e) Paid to First Point Minerals Corp., a TSX Venture Exchange listed company, with a common director, J. Christopher Mitchell, \$4,698 (2010 - \$21,139) for rent included in office and administration.

The amounts charged to the Company for the transactions provided have been determined by negotiations amongst the parties. These transactions were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

Changes in Accounting Policies Including Initial Adoption

New Accounting Pronouncements

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards.

- IFRS 9, *Financial Instruments* (effective January 1, 2013 with a proposal to defer the effective date to January 1, 2015) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosure of Interests in Associates and Joint Ventures* (all effective January 1, 2013) provide revised 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.
- Amendments to IAS 1, *Presentation of Financial Statements* (effective for annual periods beginning on or after July 1, 2012) require 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 27, *Consolidated and Separate Financial Statements* (effective January 1, 2013) provides new guidance on fair value measurement and disclosure requirements and IAS 28, *Investments in Associates and Joint Ventures* were revised and reissued to align with the new consolidation guidance.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

International Financial Reporting Standards

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. The three months ended March 31, 2011 was the Company's first reporting period under IFRS. An explanation of how the transition from previous Canadian GAAP to IFRS affected the Company's financial position and cash flows was presented in Note 20 to the Company's condensed interim consolidated financial statements for the three months ended March 31, 2011, which was filed on SEDAR at www.sedar.com. The effects of conversion to IFRS on the September 30, 2010 financial statements is discussed in Note 17 to the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2011.

Financial Instruments and Risk

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2011, the Company's financial instruments are comprised of cash and cash equivalents, marketable securities, receivables, reclamation bond, accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

September 30, 2011

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 586,707	\$ -	\$ -	\$ 586,707
Marketable securities	<u>28,800</u>	<u>-</u>	<u>-</u>	<u>28,800</u>
Total	\$ 615,507	\$ -	-	\$ 615,507

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, marketable securities, receivables and reclamation bond.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

The Company's cash and marketable securities are held through a Canadian chartered bank and a brokerage firm, which are high-credit quality financial institutions. The Company's receivables primarily consist of harmonized sales tax rebates due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Company had a cash balance of \$586,707 to settle current liabilities of \$131,906. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency rate risk

While the Company is domiciled in Canada and its capital is raised in Canadian dollars, a portion of its business is conducted in the United States of America. As such, it is subject to risk due to fluctuations in the exchange rates between the Canadian and US dollars. At September 30, 2011, the Company has cash denominated in US dollars of US\$60,724 and accounts payable and accrued liabilities of US\$3,000. Each 1% change in the Canadian dollar versus the U.S. dollar will result in a gain/loss of approximately \$607.

Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

Sensitivity analysis

The carrying value of cash, marketable securities, receivables, reclamation bond, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

The Company manages its cash and cash equivalents, common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

Capital Management

The Company's working capital as at September 30, 2011 was \$687,615 (December 31, 2010 - \$649,429). The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

Risk Factors Relating to the Company's Business

As a company active in the mineral resource exploration and development industry, the Company 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 exploration and evaluation assets. 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 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.

Mineral exploration in various jurisdictions may involve consultation with First Nations groups. The Company endeavours to consult with such groups on a good faith basis, however, there are no guarantees the consultation process will result in decisions acceptable to all parties. The risk of unforeseen aboriginal title claims and disputes could affect the Company's existing operations as well as development projects and future acquisitions.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, extreme weather events, 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. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. 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, in the case of new properties, 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 the Company 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.

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

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 acquire 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.

Commitments

The Company entered into a new office lease agreement commencing March 1, 2011 and ending February 28, 2015. Minimum lease payments are as follows:

2011	\$ 31,271
2012	42,392
2013	46,079
2014	47,274
2015	<u>8,045</u>
	<u>\$ 175,061</u>

Outlook

As a result of a non-brokered FT private placement closed on March 16, 2011 and the unit financing closed on August 9, 2011, Endurance is currently in a sound financial condition to carry exploration programs for the Bandito and Fuego Properties in the Yukon, the McCord Gold property in Alaska through 2011. Management is also evaluating other potential mineral exploration projects for acquisition. The Company will need to raise additional funds to fund exploration on new acquisitions, and to meet its future estimated overhead and exploration expenditures. Additional funding would also allow for the acquisition and aggressive funding of potential new acquisitions, in a climate where opportunities exist but must be evaluated efficiently in a competitive environment. The Company is working to secure those funds from conventional equity financing sources, from private investors, through farm-outs of existing properties in the Company's portfolio and from strategic partnerships. Failure to raise such funds on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Securities Acts in British Columbia and Ontario. This includes statements concerning the Company's plans at its exploration and evaluation assets, 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,

ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the nine month period ended September 30, 2011

such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as 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.