



Nortec Minerals Corp.

www.nortecminerals.com TSX-V: NVT - FSE: WMQ

**NORTEC MINERALS CORP.
MANAGEMENT'S DISCUSSION and ANALYSIS
For the Year Ended December 31, 2010 prepared as of May 2, 2011,**

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Nortec Minerals Corp. (the "Company") during the year December 31, 2010. This MD&A has been prepared as of May 2, 2011.

Except for historical information, this MD&A includes forward-looking statements which are subject to risks and uncertainties. Actual results may differ materially from those in such forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect results, changes in assumptions or changes in other factors affecting such statements.

The MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2010 and the Company's Annual Report. These can be found at www.nortecminerals.com and on SEDAR at www.sedar.com.

All monetary amounts in this MD&A and in the Company's consolidated financial statements are expressed in Canadian dollars, unless otherwise stated. The Company's financial statements include the results of operations of the Company's wholly owned subsidiary Nortec Ecuador S.A. ("NESA"), Nortec Minerals Oy ("NMO") Finland and Tammela Minerals Oy ("TMO") Finland. All of the financial information referenced below has been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), applied on a consistent basis.

This management discussion and analysis includes the Company's wholly-owned subsidiaries Nortec Ecuador S.A. ("NESA"), Nortec Mineral Oy ("NMO") and Tammela Minerals Oy ("TMO"). NESA was incorporated in June 2006 as Minera Nortec Ecuador S.A, and on October 10, 2007 it changed its name to Nortec Ecuador S.A. NMO was incorporated in Finland on September 30, 2009. TMO was incorporated in Finland on November 11, 2010.

The Company's Management is responsible for the preparation of the consolidated financial statements and the notes thereto and this MD&A. The Company's auditors are appointed annually by the shareholders to conduct an audit of the annual consolidated financial statements in accordance with Canadian generally accepted auditing standards.

INTRODUCTION

On January 7, 2010 the Company changed its name from Nortec Ventures Corp. to Nortec Minerals Corp.

The Company is a Canadian junior resource company and owns mineral exploration properties in Canada, Ecuador and Finland. The properties are as follows:

Property	Optionor	Interest to be Earned*	Interest Earned	Location	Agreement Date
TL	Vulcan Minerals Inc.		51%	Canada	May 14, 2003
Ganarin	Doubloon Exploration Corp.	49%		Ecuador	April 18, 2005
Kaukua	Akkerman Exploration B.V.		100%	Finland	July 29, 2008
Tammela**	N/A		100%	Finland	September 9, 2009
Seinajoki	Akkerman Exploration B.V.	100%		Finland	September 22, 2009
Kaatiala	Akkerman Exploration B.V.	100%		Finland	October 13, 2009
Haukiahö	Vulcan Resources Limited		100%	Finland	October 15, 2009

** Claim reservations granted by the Finish Ministry of Environment and the Economy

The Company's management and board of directors have extensive mineral industry and business experience around the world. The six directors of the Company combine expertise in exploration geology, mining development and operations, and mineral industry accounting, financing and operational control.

OVERVIEW

The Company holds a 51% interest in the nickel, copper, cobalt Tasisuak Lake (TL) Property, Labrador, Canada. This property is located 50 kilometres north west of Voisey Bay. The Company completed phase I, II, and III exploration programs in 2004, 2005 and 2008. No work was carried out in 2009 and 2010. The Company is investigating joint venture partnerships with other companies.

Nortec Ecuador S.A. ("NESA"), the Company's Ecuadorian subsidiary is earning a 49% interest on the gold, silver Ganarin property in the Azuay Province of Southern Ecuador. Exploration work to date consisted of detailed mapping, trenching, sampling, and diamond drilling. Results have been inconclusive but such that the Company requires further analysis in order to determine the properties potential. No work was carried out in 2009 and 2010.

Nortec Minerals Oy, ("NMO") the Company's 100% owned Finnish subsidiary earned 100% interest in the Kaukua platinum, palladium and gold property in northeast Finland. To date the Company has completed Phase I - 1,025 metres, Phase II - 1,164 metres and Phase III - 6,019 metres drilling programs. Drill core returned values over 35 meters of 1.6 g/t PGE+Au, 30 metres 1.95 g/t PGE+Au, 52 metres 1.06 g/t PGE+Au, 37.6 metres 1.25 g/t PGE+Au, 5.7 metres 1.35 g/t PGE+Au. Two new exploration targets have also been identified within the Kaukua property; Mutolampi and Lipeavaara. NMO acquired 100% acquisition of the Haukiahö Palladium-Platinum-Gold-Copper-Nickel property from Vulcan Resources Limited. Kaukua and Haukiahö properties are now known collectively as the Lantinen Kollilismaa ("LK") Property. The Company has received encouraging results on the LK Property which it will follow up with an expanded drill program. The Company hired an independent consulting company, Watts Griffis McQuat of Toronto, Canada, to prepare a National Instrument 43-101 compliant mineral resource estimate and Technical Report for the LK Property. On February 22, 2011 the Company announced that the LK Project has a confirmed large tonnage NI 43-101 Compliant PGE-Gold-Copper-Nickel Resource.

NMO holds two claim reservations in southwest Finland collectively known as the Tammela Property. These reservations host Kietyonmaki Lithium and Hirvikallio Lithium prospects. The Tammela property will be transferred to Tammela Minerals Oy ("TMO") which was incorporated on November 11, 2011. On March 1, 2011 the NMO transferred the 100% interest in the Tammela Project to Tammela Minerals Oy ("TMO").

On September 22, 2009 the Company entered into a Memorandum of Understanding ("MOU") to acquire 100% interest in the Seinajoki gold property in southwest Finland, consisting of twelve claim reservations totaling 10,000 hectares. Subject to proof of ownership of the exploration claims the Company will enter into an option agreement with the vendor. During the third quarter 2010 the Company completed Phase One drill program of 1,000 metres on the Marttalanniemi Prospect target area. The Company is analysing this drill core to determine the scope of future drilling.

On October 13, 2009 the Company announced the acquisition of an additional 900 hectares Kaatiala Claim Reservation within the Seinajoki Rare Earth Metals Area Reservation in southwest Finland. This acquisition is included under the existing MOU signed September 22, 2009 as part of the Company's 100% interest in the Seinajoki property acquisition.

On September 15, 2010 the Company signed an option agreement, announced September 22, 2009, to acquire a 100% interest in the Seinajoki gold property and Kaatiala rare earth property.

On June 11, 2010, Nortec submitted a formal business proposal to the Ecuadorian government. The proposal consisted of forming a participating association or a consortium with ENAMI EP and the Ministry of Non-renewable Natural Resources as part of its business model for exploration and development of mineral resource projects in Ecuador.

On February 10, 2011 the Company announced it has identified three mineral property areas in Ecuador for acquisition. Nortec has prepared and is submitting the relevant documentation for the concession areas under the new Mining Law of Ecuador. All three properties are reported to host significant copper-gold-molybdenum mineralization. Further details on the location of the properties and modes of occurrence of the mineralization will be released upon receipt of approval from the Ecuadorian mining authorities.

For further details on the Company's mineral properties see "Mineral Interests" below and Note 7 in the Company's audited consolidated financial statements for the year ended December 31, 2010 and unaudited consolidated financial statements for the nine month period ended September 30, 2010. These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com.

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QUALIFIED PERSONS

All disclosure of scientific or technical information, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person.

Mr. Ian F. Laurent, MSc (EconGeol) MAIG RPGeo, President and Director and Mr. Mohan R. Vulimiri, M.Sc, P.Geo., Executive Chairman, CEO and Director of Nortec Minerals Corp. are Qualified Persons for the Company.

FINANCIAL RESULTS OF OPERATIONS

Annual Financial Results

The following table sets forth, selected financial data of the Company for each of the last four completed financial years ending December 31;

Financial Year Ended	2010	2009	2008	2007
Interest Revenue	\$591	\$3,062	\$46,359	\$66,463
Net Loss	\$1,638,058	\$2,914,732	\$2,518,722	\$725,692
Shares outstanding	122,257,339	103,896,834	72,060,834	60,781,334
Loss per share basic and diluted	\$ 0.01	\$0.03	\$0.03	\$0.01
Total Assets	\$9,717,490	\$9,111,042	\$7,195,026	\$6,494,079
Long Term Debt	\$NIL	\$Nil	\$Nil	\$Nil
Total Liabilities	\$251,852	\$622,621	\$246,631	\$60,763
Financing	\$2,048,328	\$2,452,799	\$2,824,915	\$3,879,438
Mineral Interests	\$9,482,370	\$8,678,935	\$6,435,160	\$3,972,829
Dividends paid	\$NIL	\$Nil	\$Nil	\$Nil

There were no mineral property write-offs in 2010.

The net loss for 2009 included the write-off relating to the attempted acquisition of Ascendant Copper of \$916,803.

The net loss for 2008 included a mineral property write-off of \$1,600,956.

There were no mineral property write-offs in 2007.

Quarterly Financial Results

The following table sets forth selected financial data of the Company for, and as of the end of, each of the last eight completed financial quarters. The first, second and third quarter results have not been audited:

Quarter Ended	December 31, 2010 *	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009 *	September 30, 2009	June 30, 2009	March 31, 2009
Interest Revenue	\$439	-	\$87	\$65	\$7	\$18	-	\$3,037
Net Loss	565,604	\$250,482	\$386,586	\$435,386	\$1,529,329	\$418,463	\$581,954	\$384,986
Shares Outstanding	122,257,339	120,657,214	111,554,884	109,737,384	103,896,834	90,312,434	90,237,434	72,260,834
Loss per share	\$0.01	\$0.00	\$0.00	\$0.00	\$0.03	\$0.01	\$0.00	\$0.01
Mineral Properties Exploration	\$198,503	\$271,783	\$186,387	\$146,762	\$1,382,373	\$98,485	\$437,539	\$325,378

* Audited

Operating costs for the years ending December 31

The following table sets out the major operating cost and expense items for the Company for the years ending December 31;

	2010	2009	Percentage change: Increase (Decrease)
Salaries and payroll	\$ 521,637	\$ 510,453	2%
Financing cost	265,050	-	100%
Advertising and promotion	202,811	99,562	104%
Stock based compensation	199,772	696,017	(71%)
Property research	83,349	195,421	57%
Office rent	75,470	76,229	(1%)
Management consulting fees	71,000	117,617	(40%)
Accounting and audit	44,698	47,929	(7%)
Travel and accommodation	35,449	15,254	132%
Office services and expenses	24,972	20,334	23%
Regulatory compliance	20,136	21,439	(6%)
Consulting fees	-	98,500	-
Other general and administrative	82,793	100,545	(18%)
Total	\$ 1,627,137	\$ 1,999,300	(19%)

Payroll costs for 2010 were in line with the previous year 2009. Spending on advertising and promotion has increased as the Company continues to expand its geographic shareholder base. Stock based compensation expenses (non-cash) were lower in the year due to management's decision to limit the award of stock options. Property research costs were lower in the year as cost incurred in 2009 related to the attempted acquisition of a property in Ecuador. Management consulting fees are provided by a company with a director in common for services of a corporate financial officer. Accounting and audit fees were slightly lower in 2010. Travel and accommodation costs increased due to an increase in foreign based exploration properties. Office services and expenses increased in 2010 due mainly to increased data processing and maintenance costs. In 2010 these expenses amounted to \$14,048 (2009 - \$11,677). Regulatory compliance costs relate to the Company's share issuance activities. The Company's outstanding share capital increased by 31 million between 2008 and 2009 and it increased by 19 million shares between 2009 and 2010. There were no consulting fees paid out in 2010. In 2009, consulting fees were paid relating to the attempted acquisition of the Ascendant Copper property in Ecuador.

Mineral Interest Costs:

The Company's capitalized mineral interest cost as at December 31, 2010 is \$9,482,370 and is summarized as follows;

	TL Property	Ganarin Property	Seinajoki Property	LK Property *	Tammela Property	Total
December 31, 2009	\$ 2,733,294	\$ 1,378,613	\$ 89,764	\$ 4,476,719	\$ 545	\$ 8,678,935
Acquisition costs	-	-	120,914	-	-	120,914
Exploration costs	10,985	47,128	246,052	313,858	64,498	682,521
December 31, 2010	\$ 2,744,279	\$ 1,425,741	\$ 456,730	\$ 4,790,577	\$ 65,043	\$ 9,482,370

*Previously known as the Kaukua Property. The name was changed upon acquisition of the Haukiaho claim group.

Exploration drilling and subsequent assaying on the Seinajoki Property and resource estimate work on the LK Property accounted for the majority of the exploration costs in the year ended December 31, 2010.

The Company completed the option agreement for the 100% interest in the Seinajoki Property issuing 600,000 common shares of the Company at \$0.13 being the closing price on the day of issuance. In addition the Company paid the optionor \$27,692. See Note 7 in the Company's audited consolidated financial statements for the year ended December 31, 2010 These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com.

The Company's capitalized mineral interest costs for the year ended December 31, 2009 was \$8,678,935 and is summarized as follows;

	TL Property	Ganarin Property	Seinajoki Property	LK Property	Tammela Property	Total
Projects December 31, 2008	\$ 2,658,395	\$ 1,338,801	\$ -	\$ 2,437,964	\$ -	\$ 6,435,160
Acquisition Costs 2009	70,000	-	60,000	1,475,576	-	1,605,576
Exploration Costs 2009	4,899	39,812	29,764	563,179	545	638,199
December 31, 2009	\$ 2,733,294	\$ 1,378,613	\$ 89,764	\$ 4,476,719	\$ 545	\$ 8,678,935

Mineral property costs in 2009 included the acquisition of the Haukiaho property. The Company will issue ten million common shares of the Company in two "closings" the first "closing" was completed on October 26, 2009 issuing eight million shares at \$0.15 per share for total value of \$1,200,000. The Company expects to complete the second "closing" by issuing the final two million shares during the first quarter 2011. On October 14, 2009 the Company issued 400,000 common shares upon signing the memorandum of understanding to acquire the Seinajoki property. These shares were valued at \$0.15 per share for total value of \$60,000. The Company also completed its 51% earn-in for the TL Property by issuing 200,000 at \$0.11 and option payment of \$30,000. In addition the Company issued 200,000 shares at \$0.09 per share for a total value of \$18,000 to acquire the option to increase its ownership of

the TL property to 65%. The majority of the exploration expenditures were incurred on the LK Property completing the Phase IV drilling. Results of this drilling can be found below under Mineral Interests – LK Property and the Company's web site at www.nortecmineral.com.

Further details on the Company's mineral interests can be found in Note 7 in the audited consolidated financial statements for the year ended December 31, 2010. These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com

FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities consist of cash and cash equivalents, short term investments, bonds and deposits, term deposits, receivables, accounts payable and accrued liabilities and amounts due to and from related parties. These accounts are recorded at cost, which approximates fair value.

The Company's credit risk consists primarily of cash and cash equivalents, short term investments and accounts receivable. The credit risk is minimized by placing cash and cash equivalents and investing short term investments with major Canadian financial institutions. The carrying amount of the financial assets is the maximum exposure to credit risks. The Company is exposed to foreign currency fluctuations to the extent accounts payable and accrued liabilities of the Company are not denominated in Canadian dollars. Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include USD and Euro denominated cash accounts and Euros denominated accounts receivable and payables.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash and cash equivalents, short term investments and expected exercise of stock options and share purchase warrants.

Further details on the Company's financial instruments can be found in Note 4 in the audited consolidated financial statements for the year ended December 31, 2010. These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements, the exercise of warrants and stock options, and short term or long term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms. While in the past the Company has been successful in obtaining additional funding from equity financings, option agreements, loans or through other arrangements, there is no assurance that these initiatives will be successful in the future.

On February 22, 2011 the Company released a resource report that confirmed a large tonnage NI 43-101 compliant resource indicating the economic recoverability of the contained platinum, palladium, gold mineral resource within its LK Property in northeastern Finland. This report is filed on Sedar. The Company has not yet determined whether any of its other properties contain mineral deposits that are economically recoverable. The recoverability of any amounts shown as deferred mineral interest costs is

dependent upon the existence of economically recoverable mineral reserves, the ability of the company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of its properties.

For the year ended December 31, 2010, the Company reported a loss of \$1,638,058 (December 31, 2009 - \$2,914,732 includes write-off of mineral property acquisition costs \$916,803). The Company's accumulated deficit as at December 31, 2010 is \$8,975,133 (December 31, 2009 - \$7,337,075). The Company's working capital deficiency as at December 31, 2010 is \$79,697 (December 31, 2009 - \$274,991).

The Company's cash position as at December 31, 2010 was \$87,977 a net increase of \$64,578 from the Company's cash position of \$23,399 as at December 31, 2009. The Company's cash flow for year ended December 31, 2010 is summarized as follows;

Cash used for operating activities	\$ (1,605,388)
Cash used for mineral properties	\$(369,860)
Cash used for purchase of equipment	(8,502)
Total cash used in the period	(1,983,750)
Cash from financing activities	2,048,328
Net increase to the Company's cash position for the year ended December 31, 2010	\$ 64,578

December 31, 2010 the Company had outstanding payments to suppliers in the amount of \$229,352 (December 31, 2009 - \$511,871) and \$22,500 due to related parties, (December 31, 2009 - \$99,750).

The Company's cash position as at December 31, 2009 was \$23,399 a net reduction of \$26,549 from the Company's cash position of \$49,948 as at December 31, 2008. The Company's cash flow for the year ended December 31, 2009 is summarized as follows;

Cash used for operating activities	\$ (1,260,214)
Cash used for mineral properties	(1,613,853)
Cash used for operating assets	(5,281)
Total cash used in the period	(2,879,348)
Cash from financing activities	2,452,799
Cash from redemption of short term investments	400,000
Total cash received in the period	2,852,799
Net reduction in Company's cash position for the year ended December 31, 2009	\$ (26,549)

For further details on the Company's cash flow see the Company's audited consolidated financial statements for the year ended December 31, 2010. These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com.

Current Year Financing

On January 15, 2010, the Company completed the second tranche of the non-brokered private placement announced November 11, 2009. Total units sold were 5,465,000 at a price of \$0.11 per unit to raise total net proceeds of \$596,990. Each unit consisted of one common share and one common share purchase warrant of the Company. The warrants are exercisable for a period of eighteen months, expiring on June 15, 2011 at an exercise price of \$0.20 per common share. In addition, the Company

issued 375,550 commission units. Each commission unit consists of one common share of the Company and one full warrant. Each warrant will be exercisable to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of eighteen months, expiring on June 15, 2011.

On July 7, 2010, the Company completed the non-brokered private placement announced on May 31, 2010. Total units sold were 8,463,375 units at a price of \$0.12 per unit for total net proceeds of \$1,008,763. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant may be exercised to acquire one additional common share of the Company at an exercise price of \$0.20. These warrants expire July 7, 2012. Upon notice to the warrant holders, if after four months past the closing date of July 7, 2010, the closing price of the Company's shares is greater than \$0.20 for ten consecutive trading days, the Company may reduce the exercise period to thirty days after said notice. As consideration, agents received commissions of 388,955 units. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant can be exercised to acquire one additional share at an exercise price of \$0.20. The warrants expire on July 7, 2012.

On August 5, 2010, the Company closed the non-brokered private placement announced on July 26, 2010 for 735,000 units at a price of \$0.12 per unit for total proceeds of \$88,200. Each unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will be exercisable to acquire one additional common share of the Company at an exercise price of \$0.20. These warrants expire August 6, 2012. Upon notice to the warrant holders, if after four months past the closing date of August 6, 2010, the closing price of the Company's shares is greater than \$0.20 for ten consecutive trading days, the Company may give notice that the warrants will expire 30 days after said notice.

On November 2, 2010, the Company completed the balance of a non-brokered private placement announced May 31, 2010 for 100,000 units at a price of \$0.12 per unit for total gross proceeds of \$12,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant will be exercisable to acquire one common share of the Company at an exercise price of \$0.20 per share. The expiry date is August 6, 2012.

Between November 2, 2010 and November 26, 2010 1,500,000 options were exercised for net aggregate gross proceeds of \$247,500.

Subsequent to December 31, 2010 the Company has received \$1,266,185 from the exercise of 6,330,925 of the \$0.20 warrants and \$20,000 from the exercise of 100,000 \$0.20 options.

Prior Year Financing

On April 16 and May 4, 2009 the Company completed two non-brokered private placements of 5,000,000 and 10,000,000 units respectively at a price of \$0.10 per unit to raise total gross proceeds of \$1,500,000. Each unit consisted of one common share of the Company and one half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share of the Company for a period of eighteen months from the closing of the private placement at an exercise price of \$0.15. On May 1, 2009 5,000,000 one half purchase warrants associated with the April 16, 2009 private placement were converted to 2,500,000 whole warrants and exercised to acquire 2,500,000 common shares of the Company at an exercise price of \$0.15 per share for gross proceeds of \$375,000.

On November 11, 2009 the Company announced a non-brokered private placement for a minimum 10,000,000 units at a price of \$0.11 per unit for total proceeds of \$1,100,000. Each unit consisted of one common share of the Company and one common share purchases warrant. Each warrant will be exercisable to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of eighteen months from the closing of the private placement. This private placement was

completed in two tranches on December 14, 2009 and January 15, 2010. Total units 10,505,000, gross proceeds \$1,155,550.

As consideration agents received commissions of 405,850 units. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant can be exercised to acquire one additional share at an exercise price of \$0.20. The warrants expire on May 14, 2011 and June 15, 2011.

See Note 8 a) of the Company's audited consolidated financial statements for the year ended December 31, 2010 for further details. These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com.

Requirement of Additional Equity Financing

The Company has relied on equity financings for all funds raised to date for its operations. Until the Company starts generating profitable production of concentrate and or metal, the Company intends to continue relying upon the issuance of securities to finance its exploration activities and acquisitions.

SHARE CAPITAL

The following tables summarize the Company's share capital transactions for twelve month period ended December 31, 2010.

Common Shares:

Balance December 31, 2009	103,896,834
Options exercised	1,875,000
Warrants exercised	357,500
Shares issued for mineral properties	600,000
Private placement, net	15,528,005
Balance December 31, 2010	122,257,339

Warrants:

Balance December 31, 2009	15,711,350
Exercised	357,500
Issued	15,528,005
Expired	4,783,050
Balance December 31, 2010	26,098,805

Stock Options:

Balance December 31, 2009	14,339,163
Exercised	1,875,000
Issued	1,500,000
Expired	1,449,163
Balance December 31, 2010	12,515,000

On February 17, 2010, the Company issued 1,000,000 stock options to directors of the Company. These options are exercisable at \$0.10 per share and expire on February 17, 2015.

On March 22, 2010 the Company issued 200,000 stock options to an investor relations consulting company. These options are exercisable at \$0.10 per share and expire on March 10, 2012.

On September 24, 2010, the company issued 300,000 stock options to an employee. These options are exercisable at \$0.10 per share and expire September 24, 2015.

On January 25, 2011, 96,000 warrants were exercised at \$0.20 per warrant for proceeds of \$19,200.

On January 27, 2011, 1,000,000 warrants were exercised at \$0.20 per warrant for proceeds of \$200,000.

On February 10, 2011, 100,000 warrants were exercised at \$0.20 per warrant for proceeds of \$20,000.

On February 16, 2011 – 15,000 warrants were exercised at \$0.20 per warrant for proceeds of \$3,000.

On February 22, 2011 – 100,000 options were exercised at \$0.20 per warrant for proceeds of \$20,000.

On February 22, 2011 – 115,400 warrants were exercised at \$0.20 per warrant for proceeds of \$23,080.

On February 23, 2011 – 3,084,125 warrants were exercised at \$0.20 per warrant for proceeds of \$616,825.

On March 1, 2011 - 300,000 warrants were exercised at \$0.20 per warrant for proceeds of \$60,000.

On March 3, 2011 - 200,000 warrants were exercised at \$0.20 per warrant for proceeds of \$40,000.

On March 8, 2011 – 1,145,400 warrants were exercised at \$0.20 per warrant for proceeds of \$229,080.

On March 22, 2011 – 50,000 warrants were exercised at \$0.20 per warrant for proceeds of \$10,000.

On March 23, 2011 – 125,000 warrants were exercised at \$0.20 per warrant for proceeds of \$25,000.

On April 12, 2011 – 100,000 warrants were exercised at \$0.20 per warrant for total proceeds of \$20,000

Further details on the Company's share capital can be found in Note 8 in the audited consolidated financial statements for the year ended December 31, 2010. These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com.

RELATED PARTY TRANSACTIONS AND BALANCES

For the year ended December 31, 2010 the Company paid or accrued the following payments to related parties:

	December 31, 2010	December 31, 2009
Management and consulting fees to companies with directors in common	\$ 75,650	\$ 177,367

As at December 31, 2010, \$22,500 (2009 - \$99,750) is payable to a company with a director in common for financial consulting and management services and is non-interest bearing. Receivables from related parties were - \$5,000 (2009 – NIL)

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

MINERAL INTERESTS

Current Status of the Company's mineral properties as at December 31, 2010 is as follows;

Tasisuak Lake ("TL") Property

The TL nickel-copper property located 50 kilometres northwest of Inco's large Voisey's Bay nickel-copper deposit in northern Labrador consists of 121 claims totalling 3,025 hectares. In March 2003 the Company optioned the TL Property from Vulcan Minerals Inc. of Saint John's, Newfoundland. To date the Company has earned in a 51% interest by incurring exploration expenditures of \$1.5 million to March 17, 2009.

Vulcan Minerals Inc. elected not to participate at the 49% working interest level. On June 25, 2009 the Company issued a further 200,000 common shares of the Company to have the option to acquire further interest in the Property. The Company now has the option to incur additional exploration expenditures in the amount of \$3,000,000 within two years to earn a further 14% working interest in the property for an aggregate 65% interest. At the expiry of this two year period the Company will have the option to earn a further 10% by incurring additional exploration expenditures in the amount of \$2,000,000 within one year for an aggregate 75% interest.

If Vulcan Minerals elects not to participate at the 25% working interest level, the Company has the option to earn a further 15% by issuing a further 200,000 shares and incurring an additional \$5,000,000 exploration expenditures within three year period for an aggregate 90% interest.

Upon the Company earning the 90% interest Vulcan Minerals Inc. remaining 10% interest will convert to a 2.5% net smelter return and the Company will become the beneficial owner of a 100% interest in the TL Property.

To date, three phases of exploration drilling have been completed on the TL property. The second and third phases of drilling were carried out by the Company in 2005 and 2008 respectively.

No work has been carried out in 2010 or 2009. Details on work programs carried out in 2005 and 2008 can be referred to in the 2005 and 2008 financial statements.

The significant results are as follows:

- 14m of 1.02 % Ni, 0.51 % Cu and 0.03 % Co (hole 08-AA-60);
- 9m of 1.02 % Ni, 0.55 % Cu and 0.04 % Co (hole 08-LP-55);
- 3m of 1.04 % Ni, 0.38 % Cu and 0.03 % Co (hole 08-LP-56);
- 3m of 1.01 % Ni, 0.39 % Cu and 0.04 % Co (hole 08-AA-62).

The Company renewed its Mineral License 015834M on September 11, 2010 for a ten year period. TL Property capitalized mineral exploration costs as at December 31, 2010 \$2,744,279.

Ganarin Property, Ecuador

On April 18, 2005 the Company entered into an option agreement with Doubloon Exploration Corp. to acquire a 49% interest in the Ganarin Property located in Azuay Province Southern Ecuador.

Mineralization with associated hydrothermal alteration at Ganarin is exposed over an area of 1.5 kilometres (north-south) by 800 meters (east-west) and up to 300 meters vertically. Samples of vein material extracted by artisan miners assayed 8.5 to 145 g/t gold and 9.8 to 49.7 g/t silver. These values are consistent with low to medium sulphidation epithermal "bonanza" deposit models.

The economic potential of Ganarin Property has not been adequately tested yet. The Company will continue to assess the property for its potential.

The new mining law that was recently introduced in Ecuador does not apply to the Ganarin project because this property was acquired under the old mining law.

Ganarin Property capitalized mineral exploration costs as at December 31, 2010 \$1,425,741.

Lantinen Kolilismaa Property (“LK”), Finland

The LK Project is located 18 km south of the city of Posio and 35 km west of the city of Kuusamo in north-eastern Finland. The Project is comprised of the Kaukua area, acquired in 2007-2008 from Akkerman Exploration, as well as the Haukiaho area, acquired in 2009 from Vulcan Resources. The total claims of the LK Project span 3,200 hectares, and is 100% owned by Nortec Minerals Oy (“NMO”), a 100% owned Finnish subsidiary of Nortec Minerals Corp. As of 2010, four phases of drilling programs have been completed for a total of 10,300 metres.

Preliminary metallurgical test work on a blended representative composite of ore types concludes that conventional rougher flotation yielded substantial recoveries of over 80% PGE + Au, associated with recoveries of over 93% for Cu and 51% for Ni. The recoveries appear to be somewhat dependent on the host rock composition. Cleaning this concentrate, again using conventional flotation means, produced a product assaying 16% Cu + Ni and 60 grams/tonne PGE + Au. Although this is not yet confirmed, a concentrate of this grade should be attractive to nickel and PGM smelters, especially given the low value of 4% Magnesium Oxide (MgO). This also means that the initially planned PLATSOL™ process for higher recoveries of PGE metals may now not be required. This will help lower the processing costs, simplify the project and reduce the technical risk of the project as a whole.

Further metallurgical work being planned:

1. Optimization work for cleaner concentrate, with the addition of various amounts of the relevant reagents.
2. Tests and analysis to identify any other PGE associated metals like Rhodium and Iridium.
3. Marketing studies for the sale ability of concentrate.

The Company's management is very pleased with these results as they validate the reasons for entering into option agreements for the claim groups initially with Akkerman Exploration B.V. for the Kaukua Group of claims in 2007 and the subsequent acquisition of the Haukiaho claims from Vulcan Resources of Australia in 2009. In comparison to other PGE + Au and Ni-Cu massive sulphide deposits, the concentrate from the LK Project has a much higher ratio of precious and base metals, producing a very high unit value per tonne of concentrate. This also favorably impacts infrastructure and transportation costs.

On February 22, 2011 the Company released a report prepared by an independent consulting company, Watts Griffis McQuat of Toronto, Canada, confirming a large tonnage Ni 43-101 compliant mineral resource indicating the economic recoverability of the contained platinum, palladium, gold mineral resource within the LK Property. This report can be found on SEDAR at www.sedar.com.

LK Property capitalized mineral exploration costs as at December 31, 2010 \$4,790,577.

Tammela Property, Finland

The Company, through its 100% owned subsidiary, Nortec Minerals Oy ("NMO"), owns two lithium (Li) claim reservations, Kietyonmaki ("KMD") and Hirvikallio located in the Someras-Tammela pegmatite region, southwest Finland. The combined area covers 317 hectares and is known as the Tammela Property. In 1985 the Geological Survey of Finland ("GTK") drilled 17 short diamond drill holes in the KMD zone. GTK calculated a drill weighted average Li grade of 1.5% taken from 95 metres of mineralized pegmatite. GTK estimated an inferred resource of 400,000 tonnes down to the extrapolated depth of 100 metres over a strike length of 120 metres. The most recent work on the Hirvikallio zone was completed in the early 1970's by the GTK. At that time published reports of 1% Li and inferred resources of 100,000 tonnes down to 25 metres were published.

The Company purchased the complete geological and exploration data set for the district that includes the Tammela property from the GTK. The Company will study this data and prepare a plan to explore and drill this area in 2011. The Company believes this area has the potential to host major zones of pegmatite-hosted mineralization that can lead to economically viable deposits of lithium, tin, and tantalum. On February 10, 2010 the Company announced results from the re-logging and re-sampling programme of historical drill core from the Tammela Lithium-Tin-Tantalum Project in southern Finland.

A re-logging and re-sampling programme was carried out in late November 2009 on the drill core stored at the Geological Survey of Finland ("GTK") core storage facility in Loppi, southern Finland. Select intervals of the drill core were taken from drill hole R310 that was drilled on the Kietyönmäki prospect, situated in the western part of the Tammela Project. The best drill intercepts are as follows;

- 9m @ 1.03% Lithium from 68m (Hole R310)
- 3m @ 0.51% Lithium from 12m (Hole R310)
- Elevated tin, tantalum, rubidium, beryllium, caesium and niobium

Tammela Property capitalized mineral exploration costs as at December 31, 2010 \$65,043.

On November 11, 2010 the Company incorporated a second subsidiary in Finland Tammela Minerals Oy ("TMO"). The two lithium (Li) claim reservations, Kietyonmaki ("KMD") and Hirvikallio referred to above will be transferred to TMO from NMO.

Seinajoki Kaatiala Property, Finland

On September 22, 2009 the Company has an option to acquire a 100% interest in the Seinajoki gold property near the town of Seinajoki, southwest Finland. The property consists of 12 claim reservations totalling 10,000 hectares. These reservations lie within the Pohjanmaa Gold Antimony Belt. The Geological Survey of Finland ("GTK") completed geochemical surveys, trenching and shallow diamond drilling in the area. Significant gold mineralization was discovered. The Company plans to evaluate the GTK data and commenced drilling work in 2010. An additional 900 hectares of Kaatiala Claim Reservation was acquired under the same Seinajoki agreement on October 13, 2009. The Kaatiala area was host to a rich past-producing rare earth metals (REE) open pit mine.

On February 3, 2010 the Company announced results from rock chip samples taken from the Seinäjoki Gold Project in December 2009 as follows;

- 69.8g/t GOLD from 0.5m rock chip line sample at Sikakangas Prospect
- 21.1g/t GOLD from 0.8m rock chip line sample at Sikakangas Prospect
- Pegmatite rock chip sample returns 1.47% Lithium from Kalliosalo Prospect
- Elevated gold and rare earth elements (REE) mineralisation from rock chip samples on the Marttalanniemi Prospect

On September 20, 2010 the Company completed the option agreement for the 100% interest in the Seinajoki Property. The Company paid \$27,692 and issued 600,000 common shares of the Company at \$0.13 being the closing price on the date the option agreement was signed. Total value \$78,000.

Seinajoki Property capitalized mineral exploration costs as at December 31, 2010 \$456,730.

Further details on all the Company's mineral properties can be found in Note 7 in the audited consolidated financial statements for the year ended in December 31, 2010 and the Company's unaudited interim consolidated financial statements for the nine month period ended September 30, 2010. These financial statements can be found at www.nortecminerals.com and on SEDAR at www.sedar.com.

PLAN OF OPERATIONS AND FUNDING

The Company's plan of significant operations for the next twelve months is as follows:

- Seinajoki – Kaatiala Property
 - Commissioning of Geological Survey of Finland ("GTK") to compile all the existing exploration dataset to determine areas to be staked, locate potential drill targets as well as re-logging and re-sampling of all historic drill core at the GTK facilities.
- Tammela Property
 - Commissioning of the GTK to compile the complete geological and exploration dataset of the Tammela district. This study will be carried out with the re-logging and re-sampling the historic drill core at the GTK facilities. This preparatory work will determine the type of exploration work including drilling necessary to enhance the potential of the Tammela property.
- LK Property
 - Complete metallurgical test work on LK property (Kaukua-Haukiaho). Planning of the work required to upgrade the potential resource to comply with NI 43-101 standards.

- Ganarin Property
 - To restore and maintain in good standing the Ganarin property by renegotiating the option terms with Doubloon Exploration Corp.
- TL Property
 - Exploration work on the TL Property to date is inconclusive. The Company plans to maintain this property and continue to analyze the exploration data obtained to date for further exploration work at a future date.

To finance the above plans, the Company is actively seeking private or institutional financing and considering potential joint ventures. Wherever possible, the Company is also reducing its general and administrative expenses. However, there can be no assurance that these financings or cost savings measures will be successful.

RISK AND UNCERTAINTIES

The Company's success depends upon a number of factors, many of which are beyond the Company's control. Typical risk factors and uncertainties include the current world economic downturn which affects the ability to raise financing, title matters, metal prices, currency rate fluctuations, operating hazards encountered in the mining business, and changing legislation, regulations or the administration thereof. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Environmental and Other Regulatory Requirements

Mineral exploration activities require permits from various governmental authorities and are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mineral exploration and development activities may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company believes it is in compliance with all laws and regulations that currently apply to its activities. However, there can be no assurance that all permits which the Company may require for mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such mineral exploration or development which the Company might undertake.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties

Metal Prices

The principal activity of the Company is the exploration of resource metal properties. The feasible development of such properties is highly dependent upon metal prices. A sustained and substantial decline in commodity prices could result in the write-down, termination of exploration and development work or loss of the Company's interests in identified resource properties. Although such prices cannot be forecast with certainty, the Company carefully monitors factors that could affect metal prices in order to assess the feasibility of its resource properties.

The following chart sets out prices for metals which the Company is currently exploring;

		April 29, 2011	November 16, 2010	August 11, 2010	May 26, 2010	April 28, 2010
Gold	\$USD/oz	1,565	1,339	1,196	1,212	1,169
Platinum	\$USD/oz	1,873	1,641	1,513	1,524	1,710
Palladium	\$USD/oz	789	642	464	444	537
Nickel price	\$USD/lb	12.15	9.88	9.78	9.55	11.68
Copper price	\$USD/lb	4.23	3.72	3.25	3.04	3.36

Industry and Economic Factors Affecting Performance

As a mineral exploration and development company, The Company's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

CHANGES IN ACCOUNTING POLICES AND NEW ACCOUNTING DEVELOPMENTS

Recent Accounting Pronouncements - International Financial Reporting Standards ("IFRS") - In February 2008 the Canadian Accounting Standards Board ("AcSB") confirmed the date for publicly-listed companies to use IFRS replacing Canadian GAAP for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Therefore the Company will be required to adopt IFRS for its fiscal year commencing January 1, 2011, and the transition plan will require in 2011 the restatement for comparative purposes onto the IFRS basis of amounts and disclosures reported by the Company for its prior fiscal year, ended December 31, 2010. The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of analyzing the key areas where changes to current accounting policies may be required.

While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures,
- Mineral Interests,
- Property, plant and equipment measurement and valuation,
- Provisions, including asset retirement obligations,
- Flow through shares,
- Translation of foreign currencies,
- Stock-based compensation,
- Accounting for income taxes and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including the implication of changes to accounting policies and processes, financial statement note disclosures, information technology, internal controls, contractual arrangements, and employee training.

The following table summarizes the expected timing of activities related to our transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	In progress
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	In progress
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	In progress
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	In progress
Resolution of the accounting policy change implications on information technology, internal controls and contractual agreements.	In progress
Management and employee education and training	Throughout the transition process
Quantification of the Financial Statements impact of changes in accounting policies.	Throughout the transition process

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

The amounts recorded for amortization of property, plant and equipment, the provision for future income taxes, valuation allowance for future income taxes, stock based compensation and valuation of warrants are based on estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. Accordingly, the fair value of the options at the date of the grant is charged to operations, with the offsetting credit to contributed surplus. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

The proceeds from the issue of units is allocated between shares and warrants on a prorated basis on relative fair values as follows: the fair value of common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet work commitments and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of the mineral properties will remain consistent with historical experiences, anticipated results of exploration activities and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth previously in this MD&A: volatility in the market prices for metals, uncertainties associated with estimating resources, geological problems, technical problems, drilling problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in mining operations, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel and unpredictable weather conditions.

DISCLOSURE CONTROLS AND PROCEDURES

Pursuant to Multilateral Instrument 52-109 Certification of Disclosure in Issuers' annual and Interim Filings, management has designed and evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2010 and found them to meet required standards.

CORPORATE INFORMATION:

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President and Director

Balraj Mann
Chief Financial Officer and Director

Giovanna Martino
Corporate Secretary

Etienne E.V. Walter
Non-executive Chairman of the Board, Audit Committee
Member

Peter F. Tegar
Executive Director

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