XEMPLAR ENERGY CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THREE MONTHS ENDED MARCH 31, 2011

Date of Information

This management's discussion and analysis ("MD&A") regarding Xemplar Energy Corp. (the "Company") is a review of the Company's financial and operating results and should be read in conjunction with the Company's unaudited condensed interim financial statements as at and for the three months ended March 31, 2011, and the audited annual financial statements as at and for the year ended December 31, 2010 together with the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Canadian generally accepted accounting principles ("Canadian GAAP"), respectively. All currency amounts are expressed in Canadian dollars unless otherwise noted. The Company's financial statements include the results of the operations of the Company's wholly owned subsidiary Namura Mineral Resources (Pty) Ltd. for the three months ended March 31, 2011.

The information in this MD&A was made as of **June 29, 2011**.

Forward-Looking Information

This MD&A may contain forward looking statements and information based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of factors beyond its control. Actual results may differ materially from the expected results**.**

Description of Business

The Company was incorporated on January 12, 1979 under the laws of British Columbia. On July 11, 2005, the Company changed its name from Consolidated Petroquin Resources Limited to Xemplar Energy Corp. as it changed its business focus from development of oil and gas properties to acquiring, exploring and developing mineral properties. The Company's primary objective is to develop mineral properties to a stage where they can be operated profitably.

The main focus of the Company is uranium mining exploration and development in Namibia, a historically mining friendly country in South Western Africa, with a view for finding uranium deposits. The Company has previously owned certain mineral interest holdings at the Otish Property and Corhill Property located in the Ouebec province and Northwest Territories of Canada, but has divested from these interests to focus exploration efforts in Namibia. While the price of uranium and the state of the market for uranium explorers in general has strengthened recently, the Company continues to actively consider potential joint venture opportunities to develop its Namibian assets as well as projects outside the uranium sector.

Management's cost management and containment program was successful, and the Company's burn rate has been significantly reduced during the period. This has ensured adequate resources to maximize shareholder value from its Namibian assets, while still meeting exploration milestones. The Company is very well funded, with approximately of $6.6 million in its treasury, to develop existing projects and to pursue new opportunities.

Mineral Properties

Namura Uranium Properties, Namibia

On March 22, 2006, the Company acquired a 100% ownership in Namura Mineral Resources (Pty) Ltd.("Namura"), a private company in the Republic of Namibia, South Western Africa. Namura is the holder of eight exclusive reconnaissance licenses (ERL) covering uranium exploration properties in Namibia. These ERLs cover various uranium occurrences and uranium mineralization types, which include Rossing, Langer Heinrich and sandstone-conglomerate and siltstone hosted epigenetic/diagenetic type deposits. The Company hopes to take the opportunity to repeat that winning formula with its uranium deposits. Consideration for the purchase is payment of

$600,000 cash and issuance of 6,000,000 shares of the Company. Each property is subject to a 3% net smelter return royalty. The Company has the right to reduce the royalty to 1.5% on each property by paying $3,000,000 per property.

The Company's main areas of exploration in Namibia are the Warmbad and Cape Cross properties. The target on the Warmbad property is uranium hosted in granite (alaskites) similar to that being mined at the Rossing uranium mine in Namibia. The target on the Cape Cross property is calcrete hosted uranium similar to the Trekkopje uranium deposit which is currently being brought into production by Areva in Namibia.

On June 15, 2006, the Company's 43-101 Technical Reports, prepared by Roscoe Postle Associates Inc., for the Warmbad, Aus and Cape Cross properties, were filed on www.sedar.com.

Cape Cross Project

The Cape Cross project consists of three adjoining EPL's which are situated within the uranium corridor in Namibia. World-class uranium mines such as Rossing and Langer Heinrich are located within the uranium corridor, as well as uranium deposits (trekkopje, Valencia, Rossing South, Idadome, Marenica, Tubas, and Etango), which are being developed.

An extensive and systematic ground exploration program, covering an approximate 49-kilometer area, has been completed. Uranium mineralization has been detected both in calcrete and alaskite rocks. These two geological environments host the major uranium deposits in Namibia.

Within the boundaries of Xemplar's current property holdings, General Mining & Finance Corp. Ltd., and Gold Fields Prospecting (Pty) Ltd., completed a significant amount of trenching as well as a shallow (maximum 25 meters) surface drilling program in the Mile 72 area during the 1970's to expose both pedogenic and primary uranium mineralization. Regional and detailed surface radiometric surveys discovered approximately eight radiometric anomalies.

A new target area has been identified to the west of the historic workings which displayed high grade surface uranium mineralization. An extensive and systematic ground exploration program, covering an approximate 49-kilometer area, has been completed. Uranium mineralization has been detected both in calcrete and alaskite rocks. These two geological environments host the major uranium deposits in Namibia. Reference is made to the Company's 2010 November 11, 2010 November 30, and 2011, January 20 News Releases for further information on work performed and XRF assay data for grab samples.

All the Company's news releases were filed on www.sedar.com.

Sampling in the present grid area will continue in 2011, on traverses spaced 500 meters apart. Anomalous areas will be in-filled with traverses at a 250 meter spacing to increase the resolution and to outline the areas containing the highest uranium grades. On completion of the analysis and evaluation of the geological, structural, and assay data, a surface drill program will be carried out to test mineralization at depth across delineated target areas.

Warmbad Project

In 2007, airborne radiometric survey data identified fourteen (14) extensive alaskite bodies with an anomalous radiometric signature. Subsequent detailed surface radiometric surveys, geological mapping and surface drilling refined the alaskite bodies to eight (8) major zones displaying continuous low grade uranium mineralization. The Warmbad exploration model is similar to Rossing style uranium mineralization, with the potential for a high tonnage / relative low grade uranium deposits.

In 2008 & 2009, Xemplar drilled 71,000 metres and identified a number of sizable zones of uranium mineralization. Exploration to date confirms our belief that the Warmbad Project could well develop into a new uranium province which benefits from local power and water supply. The Company is now at a stage where it needs to engage a strategic partner to take the Warmbad Project to its full potential. Reference is made to the Company's 2010 November 11 News Release for further summary information on the Warmbad Project.

Corhill Uranium Property, Northwest Territories

By agreement dated July 7, 2005, the Company acquired a 100% interest in the Corhill Property entailing approximately 30,628 acres located 312 miles northwest of Yellowknife and 90 miles southwest of Kugluktuk in the Northwest Territories. Upon commencement of commercial production, the vendor will be entitled to a net smelter royalty of 2% on all minerals. The purchaser can buy down to a 1% net smelter royalty at a cost of $1,000,000. The purchase price of $194,657 was paid by issuance of 500,000 shares of the Company and payment of $74,657 cash. Included in the purchase price is $9,657 paid for legal fees directly attributed to the purchase of the property.

On July 17, 2006 the Company entered into an option agreement with Garuda Ventures Canada Inc. ("Garuda"), whereby Garuda can earn a 70% interest in the Company's Corhill Property located in central Quebec by making cash payment of $50,000, and issuing 2,000,000 shares of Garuda Capital Corp. (parent company of Garuda) which is listed on the Nasdaq Over the Counter Bulletin Board. The shares received have a hold period of two years and hence will be recorded in the books when the hold period expires. Garuda also has to incur $1,500,000 of exploration expenditure on the property in different tranches over the three year period. During the year ended December 31, 2006, Garuda paid $100,000 in cash towards the exploration costs incurred by the Company.

In June 2007, due to failure of Garuda Capital Corp. to meet the expenditure obligations, the Company and Garuda Capital Corp. signed another agreement to transfer the Corhill property rights to CUC. This agreement will supersede the earlier agreement with Garuda Capital Corp.

On September 25, 2008 the Company signed a rescission agreement with Garuda Capital Corp. to void the initial agreement. The Company paid $175,000 in cash to Garuda and returned the 2,000,000 shares of Garuda Capital Corp. received originally. The effect of the rescission agreement is that the Company now holds 100% interest rights in the Corhill property, and is currently evaluating the property and considering alternative strategies.

During the year ended December 31, 2010, the Company decided to abandon the project and wrote off total deferred costs of $468,385.

Otish Uranium Property, Quebec

By agreement dated September 28, 2005, the Company acquired a 100% interest in the Otish Basin Uranium Property entailing 1,159 claims and covering approximately 14,663 acres located 310 kilometres northeast of the city of Chibougamau in central Quebec. Upon commencement of commercial production, the Vendor will be entitled to a net smelter royalty of 2% on all minerals. The Company can buy down to a 1% net smelter royalty at a cost of $2,000,000. The purchase price of $1,185,000 is payable as follows:

Cash	$300,000
Shares – 3,000,000 @ $0.27 each	810,000
Finders fee in cash	75,000
Total acquisition cost	$1,185,000

On July 25, 2008, the Company entered into an option agreement with Virginia, whereby Virginia can earn 60% interest in the Company's Otish Basin Uranium Property in exchange for:

$250,000 in cash;
200,000 free trading shares of Virginia on closing;
600,000 free trading shares of Virginia on the first anniversary of the agreement;
$500,000 work commitment prior to January 31, 2009;
$1,000,000 work commitment during the second year of the agreement.

Virginia has the option to acquire 100% interest by delivering 1,200,000 free trading shares of Virginia to the Company in addition to the above amounts. The Company will retain a 3% net smelter royalty which can be reduced to 1.5% at a cost of $1,500,000.

During the year ended December 31, 2010, Virginia exercised its option to take a 100% interest in the Otish Quebec uranium property under the terms laid out in the July 25, 2008 option agreement. To complete its acquisition of the Xemplar Otish Property, Virginia delivered 1.2 million common shares to Xemplar which was subject to a four month hold period, which ended on April 22, 2010. All related acquisition and deferred exploration costs associated with these claims in the amount of $874,063 have been written off.

Exploration Expenditures by Property

During the period, the Company's exploration work has been focused on its Warmbad and Cape Cross Projects in Namibia. All costs related to the acquisition, exploration and development of mineral properties are capitalized. A summary of capitalized acquisition and exploration expenditures on the Company's properties for the three months ended March 31, 2011 is as follows:

Mineral properties	Namibia $	Total $
Acquisition costs		
Balance, December 31, 2010	$ 3,341,172	$ 3,341,172
Additions during the period	-	-
Balance, March 31, 2011	**$ 3,341,172**	**$ 3,341,172**
Exploration costs		
Balance, December 31, 2010	$ 18,241,367	$ 18,241,367
Additions during the period	3,207,971	3,207,971
Balance, March 31, 2011	**$ 21,449,338**	**$ 21,449,338**
Cumulative Mineral Property Expenditures		
Acquisition costs	$ 3,341,172	$ 3,341,172
Exploration costs	21,449,338	21,449,338
Disposals and abandonments	-	-
Balance, March 31, 2011	**$ 24,790,510**	**$ 24,790,510**

Financing Activities

The Company did not complete any financing during the current three months. The opening cash from 2011 is sufficient to fund the Company's operations for the remainder of 2011 and into 2012.

Quarter End Balance Sheet Position

On March 31, 2011 the most recent balance sheet date, the Company had cash and cash equivalents $6,672,256. Cash and cash equivalents represent cash on deposit and term deposits having terms to maturity of 180 days or less when acquired. To increase interest revenue, the Company has placed excess cash into short term flexible GICs. The short term investments are made with a major Canadian Bank and no asset backed investments have been entered into by the Company. The Company does not hold any non-bank asset-backed commercial paper.

Results of Operations

The Company has no producing properties, and consequently no sales or revenues. Investment income consists of interest income which is earned on cash balances held on deposit with a major bank. The amount fluctuates from period to period depending on the Company's cash balance and interest rates.

For the three months ended March 31, 2011

For the three months ended March 31, 2011, Company incurred a net loss of $210,838 or $0.002 per share as compared to a loss of $684,754 or $0.006 per share for the three months ended March 31, 2010. The decrease in loss was because there was a reclassification adjustment for losses included in other comprehensive loss and a realized loss on sale of marketable securities in the prior comparable quarter.

Income for the three months ended March, 31, 2011 was $21,420 (2010 - $10,898) which consisted of interest income.

Operating expenditures for the three months ended March 31, 2011 totalled $232,258 as compared to $236,658 for the three months ended March 31, 2010. Major expenses and changes were as follows:

- Consulting fees were $93,444 (2010 - $94,851);
- Professional fees which included legal and accounting fees were $10,129 (2010 - $30,918);
- Travel expenses were $9,963 (2010 - $38,510);
- Rent were $29,018 (2010 - $7,242);
- Wages and benefits were $51,632 (2010 - $43,295)

Summary of Quarterly Results

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Year	2011	2010	2010	2010	2010	2009	2009	2009
	IFRS	IFRS	IFRS	IFRS	IFRS	Canadian GAAP	Canadian GAAP	Canadian GAAP
Total Revenues	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Net Income (Loss)	(210,838)	(1,160,413)	(675,376)	(835,742)	(684,754)	(737,899)	(417,048)	(581,048)
Basic Income(Loss) per share	(0.002)	(0.010)	(0.006)	(0.007)	(0.006)	(0.006)	(0.003)	(0.004)

Significant variances in the Company's reported loss from quarter to quarter arise from: (i) the granting of stock options, which results in the recording of amounts for stock-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter; and (ii) decisions to write off acquisition and deferred exploration costs when management concludes there has been an impairment in the carrying value of a mineral property or the property is abandoned. Other than these, the level of operating expenditures driving the net losses for the periods reflect the ongoing corporate activities to develop the properties as discussed above.

The $1,160,413 loss in the fourth quarter of 2010 was largely due to the recording stock-based compensation expense (2010 - $716,174; 2009 – $Nil) and loss on sale of marketable securities (2010 - $399,778, 2009 - $157.50)

Liquidity and Capital Resources

At March 31, 2011, the Company reported a net working capital of $6,484,883 compared to a net working capital of $8,120,898 as at March 31, 2010, representing a decrease in working capital of $1,636,015. As of March 31, 2011 the Company has $6,672,256 in its cash accounts. The company continues to utilize its cash resources to fund project exploration and administrative requirements. As the Company has no significant income, cash reserves, unless replenished by capital fundraising, will continue to decline as the Company utilizes these funds to conduct its operations.

The Company's operations to date have been financed by sales of its common shares. The Company has been successful in raising the funds need to meet its working capital requirements. However, there is no assurance that future equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. The Company is dependent on investor sentiment remaining positive towards the mining

exploration sector so that funds can be raised through the sale of its securities. Many factors have an influence on investor sentiment, including a positive climate for mineral exploration, a company's track record and the experience of a company's management. The global economy and financial markets have experienced significant volatility and uncertainty. Continuation of these conditions could adversely affect the accessibility of equity funding. Presently, the Company is in good financial condition, has not planned any changes to its strategy to acquire and explore potential properties, and continues to manage and monitor its costs of operations.

Off-Balance Sheet Arrangements

The Company has no long term debt, does not have any used lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements.

Transactions with Related Parties

During the three months ended March 31, 2011, the Company entered into the following transactions with related parties:

a) Professional fees of $7,500 (2010 - $7,500) incurred for accounting services provided by a company owned by one of the directors of the Company.

b) Consulting fees of $77,700 (2010 - $79,600) were paid to companies owned by various directors of the Company.

c) Rental fees of $4,500 (2010 - $4,500) were paid to a company owned by one of the directors of the Company.

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

Changes in accounting policies including initial adoption

Impact of Adopting IFRS on the Company's Accounting Policies

Effective the first quarter of 2011, the Company began preparing its financial statements in accordance with IFRS. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note 15 to the unaudited condensed interim financial statements for as at and for the three months ended March 31, 2011.

The Company has adopted the accounting policies to be consistent with IFRS as it is expected to be effective or available as at December 31, 2011, the Company's first annual IFRS reporting date. There are no material changes to the Company's accounting policies and as a result, there is no significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

Impact of Adopting IFRS on the Company's Business

The adoption of IFRS has resulted in minimal changes to the Company's accounting system and business processes, given its current level of business activities and simplicity of transactions. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS. Management and staff involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies. The Board of Directors and the Audit Committee are aware of the key aspects of IFRS affecting the Company.

New Accounting Standards and Interpretations

The following new standards, amendments and interpretations that have not been early adopted by the Company in its unaudited condensed interim financial statements, will or may have an effect on the Company's future financial results and financial position:

i) Effective for annual periods beginning on or after July 1, 2011

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* - amendments regarding severe hyperinflation and removal of fixed dates.

- IFRS 7 *Financial Instruments: Disclosures* - amendments regarding clarification of disclosures for transfers of financial assets.

ii) Effective for annual periods beginning on or after January 1, 2012

- IAS 12 *Income Taxes* - amendments regarding deferred taxes relating to recovery of underlying assets.

iii) Effective for annual periods beginning on or after January 1, 2013

- IFRS 9 *Financial Instruments* – replacement of IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities.

- IFRS 10 *Consolidated Financial Statements* – replacement of IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. This standard requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

- IFRS 11 *Joint Arrangements* – replacement of IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Ventures.* This standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures.

- IFRS 12 *Disclosure of Interests in Other Entities* - This standard establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

- IFRS 13 *Fair Value Measurement* - This is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

- IAS 27 *Separate Financial Statements* - As a result of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 27 has been reissued to reflect the change as the consolidation guidance has recently been included in IFRS 10. In addition, IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the Company prepares separate financial statements.

- IAS 28 *Investments in Associates and Joint Ventures* - As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will further provide the accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Financial Instruments

The Company's financial instruments consist of cash, receivables and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Outstanding Share Data as at June 29, 2011

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A, the Company had the following securities outstanding:

(1) Common shares – 119,572,469
(2) Share purchase warrants – nil
(3) Stock options – 10,040,000

There are a total of 10,040,000 stock options outstanding under the Company's incentive stock option plan. These stock options are exercisable at a price of $0.30 per share, with expiry dates extending to November 15, 2015.

Risk Factors relating to the Company's business

The Company is in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, the ability of the Company and its subsidiaries to obtain necessary funds to complete the development and future profitable production or the proceeds of disposition thereof.

The Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and must access the capital markets to finance it activities. The Company has been successful in raising the funds. However, there can be no assurance will 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.

There is intense competition within the minerals industry to acquire properties of merits, and the Company competes with other companies possessing greater technical and financial resources than itself. Even if desirable properties are secured, there can be no assurances that the Company will be able to execute its exploration programs on its proposed schedules and with its cost estimates, whether due to weather conditions in the areas it operates, increasingly stringent environment regulations and other permitting restrictions, or other factors related to exploring in areas that lack infrastructure, such as the availability of essential supplies and services.

Many of the professional technical services, materials and supplies used in uranium exploration are not unique to this section, but are also required in exploring for based and precious metal. Over the past several years, the prices of these commodities have increased substantially, stimulating a rapid growth in exploration expenditures and intensifying the competition for talent and services. These conditions are leading to increased costs and difficulties in scheduling contactors that are optimal from the Company's perspective.

Mineral exploration and development is a speculative business. It involves substantial expenses and a high degree of risks, which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. There is no certainty that the expenditures made or to be made by the Company in the exploration and development of the mineral properties in which it has an interest will result in the discovery of mineralized materials in commercial quantities. While the rewards to an investor can be substantial if an economically viable discovery is made, few properties which are explored are ultimately developed into producing mines.

Even if the Company discovers uranium deposits, the marketability of the products, will be affected by numerous factors beyond the control of the Company. These factors include, but are not limited to, market fluctuations, the proximity and capacity of natural resource markets, processing equipment and government regulations, including regulations relating to price, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The Company, through its subsidiary, is involved in mineral exploration in Namibia, South Africa. There are a number of associated risks over which the Company will have no control, including changes of laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange, repatriation of earnings and civil unrest. There are no assurances that the economic and political conditions in Namibia will continue as they are at the present time.