

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 1**

Suite 1920 – 1188 West Georgia Street
Vancouver, British Columbia
CANADA V6E 4A2
Ph: 604-638-3288 / Fx: 604-408-7499

INTRODUCTION

This Management Discussion and Analysis (“MD&A”) provides a detailed analysis of the business of Abzu Gold Ltd. (formerly Totem Minerals Inc.) (“Abzu” or the “Company”) and compares its financial results for the period ended January 31, 2011 to the same period of prior year. This MD&A should be read in conjunction with the Company’s unaudited interim consolidated financial statements for the six months ended January 31, 2011 and audited financial statements for the years ended July 31, 2010. The Company’s reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise stated. The Company reports its financial position, results of operations and cash-flows in accordance with Canadian generally accepted accounting principles (“GAAP”).

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company’s securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See “Risk Factors – Insufficient Financial Resources/Share Price Volatility”.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company’s mineral properties.

DATE

This MD&A reflects information available as at March 30, 2011.

OVERVIEW

Totem Minerals Inc. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on October 5, 2005. On December 21, 2010, the Company changed its name from Totem Minerals Inc. to Abzu Gold Ltd. as part of the acquisition of Abzu Resources Ltd. (note 3). The Company is an exploration stage public company whose principal business activities are the acquisition and exploration of mineral properties.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 2****OVERALL PERFORMANCE**

On December 21, 2010, the Company completed the Acquisition of Abzu Resources Ltd. (“ARL”), a British Columbia private company, to acquire ARL’s indirect 100% interest in seven gold exploration concessions covering over 3,000 square kilometers in West Africa in Ghana and Côte d’Ivoire, Africa (the “Concessions”) through a Plan of Arrangement (the “Acquisition”). The Acquisition resulted in the Company acquiring ARL’s 100% indirect interest in the Concessions by acquiring all of the issued and outstanding shares of ARL in exchange for the issuance of 15,202,832 common shares of the Company (issued). In addition, the Company has issued 200,000 share purchase warrants exercisable at \$0.60 per share until November 30, 2014 to replace certain outstanding share purchase warrants of ARL. The Company also made payments of a finder’s fee in the amount of 665,000 common shares of the Company, which will be paid in accordance with Exchange policies to an arm’s length third party, for introducing the Company to ARL. The Transaction was completed by way of a take-over bid circular. The Transaction is arm’s length and, is a “Fundamental Transaction” under the TSX Venture Exchange’s (the “Exchange”).

In conjunction with the Acquisition, the Company completed a non-brokered private placement in December 2010 consisting of 14,000,000 units at a price of \$0.50 per unit for gross proceeds of \$7,000,000. Each unit is comprised of one common share and one common share purchase warrant. Each full share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.75 until December 21, 2011. The units of the private placement were valued at \$7,000,000 and of that \$2,536,006 was allocated to the value of the attached share purchase warrants. The Company incurred share issuance costs of \$750,789.

Also, pursuant to the Acquisition, the Company granted stock options to new directors, officers and consultants of the Company to purchase up to 2,000,000 common shares of the Company at the price of \$0.55 per share in accordance with the Company’s Stock Option Plan.

OUR BUSINESS***Caledonia Property, Canada***

On December 17, 2009, the Company acquired an option to earn a 100% interest in 26 mineral claims in the Nanaimo Mining Division, British Columbia, Canada, in consideration for \$150,000 cash payments and \$300,000 exploration expenditures over three years.

During the year-ended July 31, 2010, the Company had incurred a total of \$127,554 in deferred exploration expenses.

After the Acquisition, the Company decided to focus on the mineral property interests located in the Republic of Ghana, accordingly wrote-off the Caledonia Property to \$Nil, recognizing a charge of \$127,554 to operations during the period ended January 31, 2011.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 3****Properties Acquired through the Acquisition of ARL**

ARL is the holder of concessions strategically located to optimize discovery opportunities along the Asankrangwa Gold Belt (Mpatasie, Golden Reef, and U & N), the Kibi Belt (Asafo), and the Ashanti Belt (Chia, Brenase). The Asankrangwa group of properties lie adjacent to and along strike to Keegan's recent Esaase discovery and past open pit mining at Obotan, Nkran, and Abore by Resolute Mining Ltd (currently the subject of exploration by PMI Gold).

As a result of the Acquisition, we have indirectly acquired 100% interest in the following Concessions.

Chia, Ghana

On July 27, 2007, ARL acquired an option to earn an 80% interest in this concession, with the Government of Ghana holding a 10% interest in accordance with mining legislation in Ghana, in consideration for US\$230,000 over a period of five years, or until production commences. The property is located in Birim North District in the Eastern Region of Ghana. As of January 31, 2011, total payments of US\$40,000 were made as follows:

- (i) US\$10,000 upon signature of the agreement on July 27, 2007 (paid);
- (ii) US\$25,000 on or before February 1, 2008 (paid);
- (iii) US\$35,000 on or before February 1, 2009 (US\$5,000 paid);
- (iv) US\$45,000 on or before February 1, 2010;
- (v) US\$55,000 on or before February 1, 2011; and
- (vi) US\$60,000 on or before February 1, 2012.

The owner of the property passed away in 2009 and, accordingly, ARL is waiting for the Mineral Commission in Ghana to determine the ownership before pursuing payments. A total payment of US\$60,000 is to be made to clear the former agreement and acquire the title to this concession.

Brenase, Ghana

On July 27, 2007, ARL acquired an option on the Brenase Concession, then called God FHS, from the same license holder as Chia, under the same payment schedule.

In September 2010, ARL began negotiations with the Minerals Commission of Ghana to petition the Ministry of Mining to award the concession to Abzu, under the same terms as Chia or to blend the two contiguous licenses into one. The negotiations are moving forward. Until the decision is final and the same amounts paid for Brenase as Chia, if required, the Company has been relieved from having to submit quarterly terminal reports, as work is on hold. The combined areas of Chia and Brenase are 97 sq. km.

Mpatasie, Ghana

On November 15, 2007, ARL acquired an option to earn an 80% interest in this concession, with the Government of Ghana holding a 10% interest in accordance with mining legislation in Ghana, in consideration for US\$500,000 over a period of five years or until production commences. The property is located at Mpatasie in the District of Ashanti Region in Ghana. As of January 31, 2011, US\$500,000 was paid and the option had been fully exercised.

Now owning 80% of this license, the Company has aggressively moved forward with exploration. Airborne Geophysics have been flown over this 15.4 sq. km. concession and the data is being received by the contracted geophysicist for interpretation. A work crew, headed by Dr. Georgi Magaranov of Bulgaria, has completed a reclamation of and re-sampling of historic trenches that were first initiated by Resolute Mining, who also drilled three diamond drill holes. The collars have been located and prepared for mapping using GPS.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 4*****Asafo, Ghana***

On November 16, 2007, ARL acquired an option to earn a 80% interest in this concession, with the Government of Ghana holding a 10% interest in accordance with mining legislation in Ghana, in consideration for US\$500,000 over a period of five years or until production commences. The property is also subject to a negotiable 3% royalty interest with the Eastern Mining Co. The property is in the East Akim District of the Eastern Region in Ghana. As of January 31, 2011, total payments of US\$360,000 were made as follows in accordance with an amended agreement dated March 2, 2010:

- (i) US\$30,000 upon signature of the agreement on November 16, 2007 (paid);
- (ii) US\$20,000 on or before December 1, 2007 (paid);
- (iii) US\$20,000 on or before May 18, 2009 (paid);
- (iv) US\$50,000 upon signature of the amendment on March 2, 2010 (paid);
- (v) US\$35,000 on or before June 2, 2010 (paid);
- (vi) US\$35,000 on or before September 2, 2010 (paid);
- (vii) US\$80,000 on or before December 1, 2010 (paid);
- (viii) US\$90,000 on or before December 1, 2011; and (paid)
- (ix) US\$140,000 on or before December 1, 2012.

The 150 sq. km. Asafo and straddles the main highway and is located within the Kibi Gold Belt halfway between the capital of Ghana, Accra, and the second largest city, Kumasi. . Formerly owned by Newmont, the property has good historic data including limited drilling.

Golden Reef, Ghana

On October 22, 2010, ARL acquired an option to earn an 80% interest in this concession, with the Government of Ghana holding a 10% interest in accordance with mining legislation in Ghana, in consideration for US\$500,000 over a period of four years or until production commences. The property is located at Ankam in the District of Asankrawgwa Region in Ghana. As of January 31, 2011, total payment of US\$100,000 was made as follows:

- (i) US\$100,000 upon signature of the agreement on October 22, 2010 (paid);
- (ii) US\$100,000 on or before October 22, 2011;
- (iii) US\$100,000 on or before October 22, 2012;
- (iv) US\$100,000 on or before October 22, 2013; and
- (v) US\$100,000 on or before October 22, 2014.

In January, the Company contracted Coffey Mining Services to complete a soil sample program on Golden Reef. This concession was integral to management's planning as it surrounds Mpatasie on the West, East and South, making the Company's "focal" property 300% larger. The soil program has begun to show results that indicate the anomalies known on Mpatasie likely reach beyond its borders. The Company recently purchased a small drill and will begin new sampling in this area in the next month.

U & N, Ghana

On September 7, 2010, ARL acquired an option to earn an 80% interest in this concession, with the Government of Ghana holding a 10% interest in accordance with mining legislation in Ghana, in consideration for US\$500,000 over a period of four years or until production commences. The property is located in the Amansie West District of Ashanti Region in Ghana. As of January 31, 2011, total payment of US\$100,000 was made as follows:

- (i) US\$100,000 upon signature of the agreement on September 7, 2010 (paid);
- (ii) US\$100,000 on or before September 1, 2011;
- (iii) US\$100,000 on or before September 1, 2012;
- (iv) US\$100,000 on or before September 1, 2013; and
- (v) US\$100,000 on or before September 1, 2014.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 5**

The U&N gold concession borders Keegan to the North, where they have a multi-million oz. discovery on their Esaase property. Like all of the Company's option agreements, the property may be dropped with one month's notice, paid out at any time, transferred to another party. President Paul Klipfel has spent time on the concession and because the amount of artisanal work that has gone on in the past is designing a specific work program to deal with the unique terrain.

Located in the Amansie West District of the Ashanti Region, the 60 sq. km. concession is broken into two parts, thus the "Un" and the "N". The Company is committed to the development of the Asankrangwa gold belt with its three strong properties and securing land contiguous to such a large discovery was part of management's plan for its portfolio.

Côte d'Ivoire

ARL has minor properties in Côte d'Ivoire which it originally acquired at a cost of US\$45,000.

In January 2011, due to unstable conditions in Côte d'Ivoire, the Company has decided to abandon the project, accordingly, wrote-down the Côte d'Ivoire project to \$Nil, recognizing a charge to operations of \$486,562 during the period ended January 31, 2011.

Other Ghana Properties

ARL is actively involved in a social program where the Company is assisting the people of the Republic of Ghana with the development of mineral properties licensed under the Small Scale Mining Act of Ghana, through training on the newest gravity oriented machinery. Pursuant to the Acquisition, the Company continues to be actively involved in this aspect of the social program, while planning for expansion that will assist villages near concessions with transportation and care for local village people needing medical attention.

Exploration and Planned Work Program Activities

Under the supervision of Dr. Paul Klipfel and Mr. Georgi M.etc ARL has commenced to aggressively explore its large Ghanaian land-package primarily using airborne geophysics (electromagnetics – VVTEM, x line km over all its concessions – if not name concessions here?) and associated geochemical and geological ground follow-up. The geophysical data has been received and is currently being interpreted. Surface sampling programs are currently underway on the Golden Reef and Mpatasie concessions. Contingent on results the Company anticipates an initial 10,000 to 15,000 metre exploration drill program by year end.

QUALIFIED PERSON

Professional geologist (AIPG cert. # 10821) Dr. Paul Klipfel, President and a Qualified Person as defined by National Instrument 43-101, has designed, planned, and supervised ARL's work program at Mpatasie, Golden Reef, and Asafo and is responsible for all aspects of the work, including the quality control/quality assurance program. Samples are collected systematically and in a consistent manner. Sample bags are closed and sealed at the sample site and kept secure in the care of field crews until delivered to the ALS laboratory in Kumasi, Ghana for gold fire assay and ICP multielement analyses. ALS Chemex's Quality Control/Quality Assurance system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025: 1999. Analytical accuracy and precision are monitored by inclusion of field duplicates (1:50) and reference standards (1:20) into the sample stream. Dr. Klipfel is not independent of the Company as he is an officer and shareholder.

Mr. Georgi Magaranov is a consulting economic geologist employed by ET Geoart. He is a Professional Geologist certified by the Institute of Irish Geologists (ITI) and European Federation of Geologists (EFG) and is a Qualified Person as defined by National Instrument 43-101. He has also been responsible for design and supervision onsite of the work program, including ARL's QA/QC program. Mr. Magaranov has over 17 years of exploration experience working for AngloAmerican plc, Rio Tinto Exploration, and other companies in a range of geographic locations in Africa, Asia, Europe, and South America for gold, copper and other types of mineral deposits. Mr. Magaranov is independent of the Company.

Dr. Klipfel has a PhD in economic geology and more than 32 years of relevant experience as a mineral exploration geologist. He is a Certified Professional Geologist [CPG 10821] by the American Institute of Professional Geologists.

RISK FACTORS

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of its resource properties, the following risk factors, among others, will apply:

Resource Industry is Intensely Competitive: The Company's business is the acquisition, exploration and development of resource properties. The resource industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover resource deposits but from finding resource deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of resources and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuation of Prices: Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the product produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. Commodity prices have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved exploration and production methods. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Permits and Licenses: The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

No Assurance of Profitability: The Company has no history of earnings and due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or production operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, resource taxes and labour standards. In addition, the profitability of any commodity is affected by the market for those commodities which is influenced by many factors including changing production costs, the supply and demand, the rate of inflation, the inventory of commodity producing corporations, the political environment and changes in international investment patterns.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any resource property is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of any significant exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing the various option agreements it has entered into could result in the loss of the rights of the Company to such properties.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Surface Rights and Access: Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 8**

Title: Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

SELECTED FINANCIAL INFORMATION**Selected Annual Information****Years ended July 31, 2010 and 2009**

The Company's financial statements are prepared in conformity with Canadian GAAP, and are expressed in Canadian dollars. All foreign currency amounts are converted into Canadian dollar equivalents using the temporal method as explained in the notes accompanying the Company's financial statements.

The following table provides a brief summary of the Company's financial operations for the years ended July 31, 2010, 2009 and 2008. For more detailed information, refer to the accompanying Financial Statements.

	Years Ended July 31		
	2010	2009	2008
Total revenues (interest)	\$ 844	\$ 4,963	\$ 762
Loss before other items	(220,715)	(428,158)	(58,453)
Net loss	(253,087)	(673,261)	(57,691)
Basic and diluted loss per share	\$ (0.02)	\$ (0.06)	\$ (0.01)
Total assets	1,820,537	551,260	65,232
Weighted average common shares outstanding	15,168,385	11,338,735	7,462,788
Cash dividends	-	-	-

QUARTERLY FINANCIAL INFORMATION

	January 31, 2011	October 31, 2010	July 31, 2010	April 30, 2010
Revenue	\$ -	\$ -	\$ -	\$ -
Operating expenses	(2,155,673)	(20,074)	(34,234)	(84,848)
Property write-off	(614,116)	-	-	-
Loss for the period	(2,760,903)	(20,074)	(67,450)	(84,116)
Loss per common share	\$ (0.08)	\$ (0.01)	\$ (0.00)	\$ (0.01)

	January 31, 2010	October 31, 2009	July 31, 2009	April 30, 2009
Revenue	\$ -	\$ -	\$ -	\$ 100
Operating expenses	(55,123)	(46,510)	(79,534)	(57,364)
Property write-off	-	-	(327,566)	-
Loss for the period	(55,011)	(46,510)	(326,086)	(56,917)
Loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.00)

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 9****Six months ended January 31, 2011 compared to six months ended January 31, 2010**

Due to the Acquisition of ARL, the comparatives for the same period in the prior year are not comparable as the amounts presented for the period ended January 31, 2010 do not include ARL and its subsidiary.

During the six months ended January 31, 2011, the Company had a net loss of \$2,780,977 as compared to a net loss of \$101,521 for the same period in 2010. The increase in net loss is mainly due to stock-based compensation on 2,000,000 options granted amounting to \$1,829,060, write-off of mineral property interest of \$614,116 and the increase in general operating expenses due to the Acquisition of ARL during the period ended January 31, 2011.

Advertising and promotion expenses of \$11,250 (2010 - \$Nil), consulting fees of \$1,582,210 (2010 - \$Nil), depreciation of \$17,085 (2010 - \$Nil), insurance of \$11,383 (2010 - \$Nil), shareholders' communication expenses of \$289,937 (2010 - \$Nil) and travel expenses of \$63,089 (2010 - \$Nil) are new operating expenses that occurred due to the Acquisition of ARL. Included in these expenses are stock-based compensation expenses of \$1,554,701 (2010 - \$Nil) in consulting fees and \$274,359 (2010 - \$Nil) in shareholders' communication expenses.

Management and administration of \$73,750 (2010 - \$69,000) increased mainly due to increased fees paid to the new management pursuant to the Acquisition of ARL as well as the Company focusing its resources in exploring the properties in West Africa.

Office and miscellaneous expenses of \$18,032 (2010 - \$233) increased mainly due to increase in expenses as a result of the Acquisition of ARL as well as increased activities in the Company as a result of the Acquisition.

Professional fees of \$85,175 (2010 - \$22,275) increased mainly due to increased activities in the Company as a result of the Acquisition.

Rent expenses of \$8,610 (2010 - \$6,000) increased mainly due to increase in expenses as a result of the Acquisition of ARL.

Transfer agent and filing fees of \$15,226 (2010 - \$4,125) increased mainly due to increased activities in the Company as a result of the Acquisition.

Three months ended January 31, 2011 compared to three months ended January 31, 2010

Due to the Acquisition of ARL, the comparatives for the same period in the prior year are not comparable as the amounts presented for the period ended January 31, 2010 do not include ARL and its subsidiary.

During the three months ended January 31, 2011, the Company had a net loss of \$2,760,903 as compared to a net loss of \$55,011 for the same period in 2010. The increase in net loss is mainly due to stock-based compensation on 2,000,000 options granted amounting to \$1,829,060, write-off of mineral property interest of \$614,116 and the increase in general operating expenses due to the Acquisition of ARL during the period ended January 31, 2011.

Advertising and promotion expenses of \$11,250 (2010 - \$Nil), consulting fees of \$1,582,210 (2010 - \$Nil), depreciation of \$17,085 (2010 - \$Nil), insurance of \$11,383 (2010 - \$Nil), shareholders' communication expenses of \$289,937 (2010 - \$Nil) and travel expenses of \$63,089 (2010 - \$Nil) are new operating expenses that occurred due to the Acquisition of ARL. Included in these expenses are stock-based compensation expenses of \$1,554,701 (2010 - \$Nil) in consulting fees and \$274,359 (2010 - \$Nil) in shareholders' communication expenses.

Management and administration of \$58,750 (2010 - \$36,000) increased mainly due to increased fees paid to the new management pursuant to the Acquisition of ARL as well as the Company focusing its resources in exploring the properties in West Africa.

Office and miscellaneous expenses of \$17,892 (2010 - \$71) increased mainly due to increase in expenses as a result of the Acquisition of ARL as well as increased activities in the Company as a result of the Acquisition.

Professional fees of \$84,790 (2010 - \$12,200) increased mainly due to increased activities in the Company as a result of the Acquisition.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 10**

Rent expenses of \$5,610 (2010 - \$3,000) increased mainly due to increase in expenses as a result of the Acquisition of ARL.

Transfer agent and filing fees of \$13,677 (2010 - \$3,852) increased mainly due to increased activities in the Company as a result of the Acquisition.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been predominantly financed by the sale of its equity securities by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements. However, the exercise of warrants/options is dependent primarily on the market price and overall market liquidity of the Company's securities at or near the expiry date of such warrants/options (over which the Company has no control) and therefore there can be no guarantee that any existing warrants/options will be exercised. When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest in order to conserve its cash.

The Company expects that it will operate at a loss for the foreseeable future, and that it will require additional financing to fund the acquisition of a resource property and to continue its operations (including general and administrative expenses) beyond the first quarter of 2011. Additional financing will be required for the Company to maintain its existing level of operations and / or acquire, explore or develop any resource property.

As at January 31, 2011, the Company reported cash of \$6,076,211 compared to \$711,163 as at July 31, 2010. At January 31, 2011, the Company had working capital of \$5,950,715 compared to \$1,563,314 as of July 31, 2010. The increase in cash on hand and working capital was the result of shares issued for cash of \$6,481,211, net of costs, less cash repayment to related parties of \$537,160, plus cash received from the Acquisition of ARL of \$429,009, less cash used in exploration activities of \$265,417, in purchase of plant, property and equipment of \$295,153 and in operating activities of \$416,967.

The Company has not entered into any long-term lease commitments nor is the Company subject to any mineral property commitments other than those outlined under Note 6 in the Company's consolidated interim financial statements for the period ended January 31, 2011.

Other than cash held by its subsidiary for their immediate operating needs in Ghana, the majority of the Company's cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of the current market conditions. However, in order to achieve greater security for the preservation of its capital, the Company has, of necessity, been required to accept lower rates of interest which has also lowered its potential interest income.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 11****RELATED PARTY TRANSACTIONS**

During the three months ended January 31, 2011, the Company incurred the following related party expenditures. These figures do not include stock-based compensation.

Name	Relationship	Purpose of transaction	Amount
Advance Communications	Company controlled by the CEO and Director of the Company (appointed on December 21, 2010)	Management and administration fees	\$ 43,750
Mineral Resource Services, Inc.	Company controlled by the President of the Company (appointed on February 17, 2011)	Mineral property expenditures	\$ 18,733
Quatloo Investment Management Inc.	Company controlled by the Director of Corporate Communications (commenced on February 17, 2011)	Shareholders' communications	\$ 10,000
Serwa Training	Company controlled by the Director of Social Planning (commenced on February 17, 2011)	Consulting	\$ 22,500
Balmoral Resources Ltd.	Company controlled by common Directors and Officers	Consulting	\$ 5,010

These transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

As at the date of this MD&A there are no proposed transactions where the board of directors or senior management believes that confirmation of the decision by the board is probable or with which the board and senior management have decided to proceed.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the rates of amortization for equipment, the recoverability of resource property interests, the assumptions used in the determination of the fair value of stock-based compensation and the determination of the valuation allowance for future income tax assets and accruals. Management believes the estimates are reasonable; however, actual results could differ from those estimates and would impact future results of operations and cash flows.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In March 2009, the Canadian Accounting Standards Board reconfirmed in its second omnibus Exposure Draft that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for interim and annual financial statements relating to fiscal years beginning on or after August 1, 2011. Companies will be required to provide IFRS comparative information for the previous year, starting in the first quarter of 2011. The Company commenced its IFRS conversion project in 2009, and expects to be completed prior to August 2011.

The Company's IFRS conversion project will be governed by members of the audit committee and the Board of Directors to monitor the progress and make critical decisions in the transition to IFRS, and to approve all transition policies. This project will consist of three main phases:

Preliminary planning and scoping: This phase includes the development of a work plan and a review of the major differences between Canadian GAAP, IFRS, and the IFRS requirements based on their financial reporting impact, business impact and complexity.

Assessment and design: This phase will involve determining the specific impacts to the Company based on the application the IFRS requirements. This will include the design and development of detailed solutions and work plans by each key area to address implementation requirements. In addition, impact analysis will be performed on all areas of business, including tax. Accounting policies will be finalized, first –time adoption exemptions will be considered, and a detailed implementation plan will be developed.

Implementation: This phase will include implementing the required changes for IFRS compliance. All IFRS conversion impacts will be approved and finalized to allow for the conversion of tax policies and the preparation of opening IFRS balances.

Currently, the Company has completed the preliminary planning stage. During this phase of the conversion project it was determined that due to the Corporations nature of business at this time, no differences between new IFRS requirements and the current application of Canadian GAAP were identified. However, due to the uncertainty surrounding what IFRS will exist at the changeover date, management cannot reasonably assess the financial impact that IFRS will have on our financial statements at this time and it may not be able to do so with any certainty at any time prior to conversion.

CHANGES IN ACCOUNTING POLICIES, INCLUDING INITIAL ADOPTION

The Company has adopted the following significant accounting policies as of August 1, 2010:

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, “Business Combinations”, Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”. These sections replace the former Section 1581, “Business Combinations”, and Section 1600, “Consolidated Financial Statements”, and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred.

Section 1601, “Consolidated Financial Statements”, establishes the standards for preparing consolidated financial statements.

Section 1602, “Non-Controlling Interests” establishes the standards for the accounting for non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the IFRS on consolidated and separate financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after June 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company has adopted these sections as of August 1, 2010.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as held-for-trading; accounts payable and accrued liabilities and due to related parties as other financial liabilities.

The carrying values of cash, and accounts payable and accrued liabilities approximate their fair values due to the expected short-term maturity of these financial instruments. The fair values of amounts due to related parties have not been disclosed as their fair values cannot be reliably measured since the parties are not at arm’s length.

The Company’s risk exposure and the impact on the Company’s financial instruments are summarized below.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 13****(a) Credit risk**

In respect to accounts receivable, the Company is not exposed to significant credit risk as the majority are due from governmental agencies.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution, and a major Ghanaian financial institution. The Company's concentration of credit risk and maximum exposure thereto in Canada and Ghana follows:

Cash	January 31, 2011	July 31, 2010 (audited)
Canadian financial institution	\$ 4,280,885	\$ 711,163
Ghanaian financial institution	1,795,236	-
	\$ 6,076,211	\$ 711,163

The credit risk associated with cash is minimized substantially by ensuring that these financial assets are placed with major Canadian and Ghanaian financial institutions with strong investment-grade ratings by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At January 31, 2011, the Company had cash of \$6,076,211, which will be sufficient to meet its obligations related to its accounts payable and accrued liabilities of \$164,819 and due to related parties of \$181,101.

All its non-derivative financial liabilities made up of accounts payable and accrued liabilities and due to related party, are due within three months of the year-end as shown below. The Company does not have any derivative financial liabilities.

	0 to 3 months	3 to 6 months	6 to 12 months	Total
Accounts payable and accrued	\$ 164,819	\$ -	\$ -	\$ 164,819
Due to related party	\$ 181,101	\$ -	\$ -	\$ 181,101
	\$ 345,920	\$ -	\$ -	\$ 345,920

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company's cash consists of cash held in bank accounts that earn interest at variable rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The interest income earned on cash is minimal; therefore, the Company is not subject to interest rate risk.

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 14**

ii. Foreign currency risk

The Company is exposed to foreign currency risk as certain monetary financial instruments are denominated in United States. At January 31, 2011, total assets and liabilities include cash of US\$1,792,637 (July 31, 2010 - US\$Nil). The Company has not entered into any foreign currency contracts to mitigate this risk. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the US dollar by 6% would increase or decrease foreign exchange expense by \$38,400 in these consolidated financial statements.

iii. Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that all relevant information required to be disclosed in the Company's reports filed or submitted as part of the Company's continuous disclosure requirements is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure and such information can be recorded, processed, summarized and reported within the time periods specified by applicable regulatory authorities.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at January 31, 2011 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of January 31, 2011, the disclosure controls and procedures were effective. However, Management and the Board recognize that no matter how well designed the Company's control systems are, such controls can only provide reasonable assurance, not absolute assurance, of detecting, preventing and deterring errors.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in the Company's internal control over financial reporting or any other factors during the period ended January 31, 2011, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

DISCLOSURE OF OUTSTANDING SHARE DATA (As at March 30, 2011)**Authorized**

Unlimited common shares without par value and unlimited preferred shares without par value.

Issued

Issued Common Shares	Value
53,571,833	\$ 13,466,485

1. Incentive Stock Options Outstanding:

Number	Exercise Price	Expiry Date
2,000,000	\$ 0.55	December 21, 2015

ABZU GOLD LTD.

(formerly Totem Minerals Inc.)

FORM 51-102F1 – MANAGEMENT DISCUSSION & ANALYSIS**January 31, 2011****Page 15**

2. Share Purchase Warrants Outstanding:

Number	Exercise Price	Expiry Date
14,000,000	\$ 0.75	December 21, 2011
9,320,000	\$ 0.40	April 16, 2012
1,000,000	\$ 0.40	April 16, 2012*
200,000	\$ 0.60	November 30, 2014
24,520,000		

* Agent's Warrants

DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the three months ended January 31, 2011:

Name of Director/Officer	Position	Category	Amount Paid/ Accrued
Allan Serwa	Chief Executive Officer and Director	Management and Administration Fees	\$ 43,750
Dr. Paul D. Klipfel	President (appointed February 17, 2011)	Mineral Property Expenditures	\$ 18,733

ADDITIONAL INFORMATION

Additional information relating to our company is available on SEDAR at www.sedar.com.