

**GRANDE PORTAGE RESOURCES LTD.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**For the Six-month Period Ended April 30, 2010**

**GRANDE PORTAGE RESOURCES LTD.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**For the Three-Month Period Ended April 30, 2010**

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**(Dated June 21, 2010)**

**DESCRIPTION OF BUSINESS**

The Company is a development stage company whose shares trade on Tier I of the TSX Venture Exchange. The Company holds resource properties and property interests in British Columbia, Canada, and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties, including related deferred exploration costs, is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to satisfy expenditure requirements under property acquisition and joint venture agreements to complete their development, and future profitable production or the disposition thereof.

**Selected Annual Financial Information:**

<b>For the year ended:</b>	<b>October 31, 2009</b>	<b>October 31, 2008</b>	<b>October 31, 2007</b>
Total revenues	\$ -	\$ -	\$ -
Loss before extraordinary items:			
Total for the year	443,703	420,144	777,559
Per-share (basic and diluted)	(0.007)	(0.007)	(0.01)
Net loss:			
Total for the year	161,651	898,730	1,462,721
Per-share (basic and diluted)	(0.002)	(0.02)	(0.005)
Working capital (deficiency)	4,928,247	4,522,900	5,740,956
Total assets	11,277,593	11,244,439	11,705,264
Resource property costs	6,242,809	6,604,566	5,748,252
Total long-term financial liabilities	-	-	-
Cash dividends declared per common share	-	-	-

**Results of Operations for the three-month periods ended April 30, 2010 and 2009**

During the three-month period ended April 30, 2010, there was a total of \$3,969 (2009 - \$35,031) incurred for exploration expenditures and \$23,000 (2009 - \$32,500) was incurred in acquisition costs on the Merry Widow property ("Property"). The majority of these costs were incurred for camp supplies and maintenance, and site personnel.

The Company incurred administrative costs totalling \$98,011 (2009 - \$104,580) for a loss of \$94,189 (2009 - \$82,182) during the three-month period, which includes \$15,650 (2009 - \$3,500) in stock option expense. Overall, the majority of administration costs were slightly lower for the current three-month period over the same period of 2009.

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**Results of Operations for the six-month periods ended April 30, 2010 and 2009**

During the six-month period ended April 30, 2010, there was a total of \$5,895 (2009 - \$88,977) incurred for exploration expenditures and \$40,581 (2009 - \$109,748) was incurred in acquisition costs on the Merry Widow property ("Property"). The majority of these costs were incurred for camp supplies and maintenance, and site personnel.

The Company incurred administrative costs totalling \$178,118 (2009 - \$250,475) for a loss of \$170,093 (2009 - \$222,145) during the six-month period, which includes \$31,300 (2009 - \$7,000) in stock option expense. Overall, the majority of administration costs were significantly lower for the current six-month period over the same period of 2009.

**Selected Quarterly Financial Information:**

	<b>4<sup>th</sup></b>	<b>3<sup>rd</sup></b>	<b>2<sup>nd</sup></b>	<b>1<sup>st</sup></b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Quarter Ended</b>
	<b>October 31, 2010</b>	<b>July 31, 2010</b>	<b>April 30, 2010</b>	<b>January 31, 2010</b>
(a) Revenue	-	-	Nil	Nil
(b) Loss (gain) for period	-	-	\$94,189	\$75,904
(c) Loss (gain) per share	-	-	0.001	0.001
	<b>4<sup>th</sup></b>	<b>3<sup>rd</sup></b>	<b>2<sup>nd</sup></b>	<b>1<sup>st</sup></b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Quarter Ended</b>
	<b>October 31, 2009</b>	<b>July 31, 2009</b>	<b>April 30, 2009</b>	<b>January 31, 2009</b>
(d) Revenue	Nil	Nil	Nil	Nil
(e) Loss for period	\$(160,565)	\$100,071	\$82,182	\$139,963
(f) Loss per share	(0.002)	0.002	0.002	0.002
	<b>4<sup>th</sup></b>	<b>3<sup>rd</sup></b>	<b>2<sup>nd</sup></b>	<b>1<sup>st</sup></b>
	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Quarter Ended</b>	<b>Quarter Ended</b>
	<b>October 31, 2008</b>	<b>July 31, 2008</b>	<b>April 30, 2008</b>	<b>January 31, 2008</b>
(g) Revenue	Nil	Nil	Nil	Nil
(h) Loss for period	\$342,414	\$246,164	\$107,414	\$196,256
(i) Loss per share	0.006	0.003	0.002	0.003

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**Financial Risk Factors**

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and receivables are exposed to credit risk. Given the minimal amounts of these instruments, the Company is not exposed to any significant credit risk as at April 30, 2010.

*Liquidity Risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At April 30, 2010, the Company had cash and marketable securities of \$7,519,799 (2009 - \$3,827,271) to settle current liabilities of \$2,432 (2009 - \$11,375). Most of the Company's financial liabilities have contractual maturities of 30 days or are on demand and are subject to normal trade terms.

*Market Risk*

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

*Interest Rate Risk*

Interest rate risk is the risk of the Company's earnings that would arise from fluctuations in interest rates and would depend on the volatility of these rates. The Company's interest rate risk is not considered to be significant.

*Foreign Currency Risk*

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in Canadian Dollars (CDN), and US Dollars (USD).

*Price Risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of raw materials, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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**Liquidity and Capital Resources**

At April 30, 2010, the Company had net working capital of \$7,587,411 compared to \$4,928,247 at October 31, 2009. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At April 30, 2010 the Company had cash and marketable securities of \$7,519,799 (October 31, 2009 - \$4,871,704) to settle its current liabilities of \$23,735 (October 31, 2009 - \$45,740). Most of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at April 30, 2010, the Company had available for sale 891,300 common shares of Quaterra Resources Inc. (a public company) with a market value of \$1,631,079, (cost - \$600,000). The Company also holds 53,960 common shares of Petrobakken Energy Ltd. ("PetroBakken") having a market value of \$1,488,756.

As previously announced on September 11, 2009, the Company purchased 10,000,000 Class A shares of Nexstar Energy Ltd. ("Nexstar") at a cost of \$1,500,000. On March 1, 2010, Result Energy Inc. ("Result") acquired all of the outstanding Class A shares of Nexstar through the issuance of 1.05 Result common shares. Grande Portage received 8,400,000 common shares of Result for the balance of 8,000,000 Class A shares it held of Nexstar.

On April 1, 2010, PetroBakken acquired all of the issued and outstanding shares of Result. Under this arrangement, Grande Portage received 53,960 common shares of PetroBakken for the balance of 6,720,500 common shares it held of Result.

At October 31, 2009, the total market value for both investments was \$3,000,000 and at April 30, 2010, the market value increased to \$5,842,330, therefore the Company recorded the difference of \$2,842,330 as Accumulated Other Comprehensive Income on the Balance sheet and on the Statement of Comprehensive Income.

On December 19, 2008, the Company completed a non-brokered private placement of 1,700,000 flow-through units of the company at a price of \$0.06 per Unit. Each Unit consists of one flow-through common share and one-half of a transferable non-flow-through common share purchase warrant at an exercise price of \$0.10 per share on or before December 18, 2010.

The flow-through proceeds raised in this offering were used for Canadian exploration expenditures (as defined in the Income Tax Act Canada) and will be renounced for the 2008 taxation year. The securities were subject to resale restrictions which expired April 19, 2009.

**Off-balance Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

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**Investment**

On September 11, 2009, the Company announced that it had acquired, from an arm's length seller, 10,000,000 free trading common shares in Nexstar Energy Ltd. ("Nexstar") (TSX-V "NXE.A") at a price of \$0.15 per share for an aggregate investment of \$1.5 million. These shares represent less than 10% of the current issued and outstanding common shares of Nexstar, or about 7.7% on a fully diluted basis. Grande Portage will hold the shares for investment purposes.

On March 1, 2010 the Company announced that further to its equity investment in Nexstar Energy Ltd., Grande Portage wishes to confirm that Nexstar completed its announced corporate arrangement with Result Energy Inc (TSX-V "RTE") ("Result") pursuant to a Plan of Arrangement (the "Arrangement"). Under the Arrangement, Result acquired all of the outstanding securities of Nexstar through the issuance of 1.05 Result common shares for each issued Class A share of Nexstar. As a result, the Class A shares of Nexstar were delisted from trading on Feb. 22, 2010 and Grande Portage now holds its investment in shares of Result Energy Inc. which trades under the symbol "RTE" on the TSX Venture Exchange.

Further, PetroBakken Energy Ltd. (TSX "PBN") ("PetroBakken") and Result Energy Inc. have now entered into an arrangement agreement, pursuant to which PetroBakken will, subject to certain conditions, acquire all of the issued and outstanding shares of Result for the equivalent of \$0.42 per Result share by way of a plan of arrangement. The transaction is valued at approximately \$480-million, including Result's positive working capital of more than \$60-million. Consideration for the transaction comprises \$200-million cash with the remainder of the consideration to be paid in PetroBakken shares, at a deemed price of \$32.25 per PetroBakken share, being the five-day weighted-average trading price of PetroBakken's shares ending Jan. 22, 2010.

Based on the expected fully diluted shares outstanding of Result at the closing of the arrangement with PetroBakken, each Result shareholder will receive, at his or her election: (a) \$0.42 in cash, or (b) 0.013023 of a PetroBakken share, or (c) a combination thereof for each Result share held. The arrangement with PetroBakken closed on April 1, 2010.

On September 25, 2009 the Company announced that it has purchased 1,000,000 Units of Quaterra Resources Inc. ("QTA") at a price of \$0.60 per Unit for a total investment of \$600,000. Each Unit consists of one common share of QTA and one non-transferable share purchase warrant, with each warrant being exercisable to acquire one additional common share of QTA at \$0.75 per share until September 22, 2011.

QTA is a reporting issuer whose common shares are listed on the TSX Venture Exchange, and full details of its mineral exploration projects are available at [www.sedar.com](http://www.sedar.com). The Units of QTA were offered by way of a private placement, and form part of a larger equity financing of up to \$6 million being raised by QTA.

The investment of these funds in QTA is in accordance with Grande Portage's plan to invest in advanced staged exploration projects with infrastructure and near term cash flow potential. The securities acquired will be held for investment purposes. There is a 4 month hold period on the securities until January 22, 2010. The funds invested are not required for the immediate working capital needs of Grande Portage.

QTA plans to use the proceeds principally for further drilling on their silver and gold projects in Mexico at Nieves and Americas-Mirasol, and their copper projects in Nevada in both the McArthur and Yerington areas.

The Company would like to assure shareholders that, during these uncertain times, it is conserving its significant cash resources and is intent on fulfilling its corporate mandate of developing an economic mineral deposit. The Company has a strong balance sheet, with approximately \$4.9 million in cash with its funds secured in short-term, fully liquid bankers' acceptance notes on deposit with a major Canadian bank. The Company has no debt. Due to the current unrest in global market conditions, the Company has elected to conserve its treasury and make some strategic investments.

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**Property Update**

**Merry Widow Bulk Sample:**

The Company has completed its previously announced bulk sample at the Merry Widow project. A 5-tonne sample was collected from the north edge of the open pit, in an area locally referred to as “Copper Knob”, a prominent exposure of semi to massive chalcopyrite mineralization. Approximately 250 kilograms of sample was sent to West Coast Mineral Testing Inc in North Vancouver, BC. West Coast selected one kilogram of material for metallurgical testing.

The results of the sample are encouraging and are presented in the table below:

<b>Mineral</b>	<b>Head Grade</b>	<b>Recovery (%)</b>
Au	9.9 g/t	95.1
Ag	74.0 g/t	88.9
Cu	5.9%	88.0

The Company is very pleased with these results as they have yielded very good gold recoveries and indicated the possibility of improved copper recovery. It should be noted that there was some copper oxide mineralization present in the sample in the form of malachite. The oxide copper mineralization was lost in the rougher tailing thus a sample containing pure copper sulphide mineralization should produce better copper recoveries.

The Company is reviewing the permitting process to obtain a significantly larger bulk sample in the summer of 2010. Interested parties are encouraged to visit the Company’s website ([www.grandeportage.com](http://www.grandeportage.com)) or SEDAR ([www.sedar.com](http://www.sedar.com)) to view details concerning its current mineral resource calculation, as set forth in the NI 43-101 compliant technical report dated November 30, 2008, filed on SEDAR on January 22, 2009.

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**Statement of Mining and Exploration Expenditures**

	<b>Merry Widow</b>	<b>New Merry Widow</b>	<b>Newt Property</b>	<b>Good Sport</b>	<b>Kathleen Lake</b>
Balance, beginning	\$5,676,188	\$120,750	\$149,500	\$151,260	\$25,000
Acquisition costs					
Cash	17,581	23,000	-	-	-
Shares	-	12,500	-	-	-
Staking and land taxes	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	17,581	35,500	-	-	-
Deferred exploration costs					
Assay & recording	859	-	-	-	-
Camp supplies	1,350	-	-	-	-
Consulting	-	-	-	-	-
Drafting and mapping	-	-	-	-	-
Drilling (demobilization)	-	-	-	-	-
Engineering	-	-	-	-	-
Equipment rental	825	-	-	-	-
Geological consulting	-	-	-	-	-
Helicopters	-	-	-	-	-
Claim renewal	-	-	-	-	-
Site personnel	2,860	-	-	-	-
Travel & miscellaneous	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,894	-	-	-	-
Write-downs	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance, ending	\$5,699,663	\$ 156,250	\$149,500	\$ 151,260	\$ 25,000

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**Statement of Mining and Exploration Expenditures** (continued)

	Pass Property / New Mine	Tahsis Property	April 30, 2010	October 31, 2009
Balance, beginning	\$555,238	\$43,000	<b>\$6,720,936</b>	\$7,029,993
Acquisition costs				
Cash	-	-	<b>40,581</b>	97,248
Shares	-	-	<b>12,500</b>	12,500
Staking and land taxes	-	-	-	1,070
Sub-lease of property	-	-	-	(30,000)
	-	-	<b>\$53,081</b>	\$80,818
Deferred exploration costs				
Assay & recording	-	-	<b>859</b>	15,675
Camp supplies	-	-	<b>1,350</b>	(2,698)
Consulting	-	-	-	2,001
Drafting and mapping	-	-	-	863
Drilling	-	-	-	25,994
Engineering	-	-	-	3,016
Equipment rental	-	-	<b>825</b>	1,140
Filing fees	-	-	-	-
Geological consulting	-	-	-	5,000
Geophysics	-	-	-	-
Helicopters	-	-	-	-
Claim renewal	-	-	-	76,566
Site personnel	-	-	<b>2,860</b>	45,549
Travel & miscellaneous	-	-	-	1,822
	-	-	<b>5,894</b>	174,928
Less: write-downs			-	(564,804)
Mining Tax Credits			<b>(478,126)</b>	(478,126)
Balance, ending	<b>\$ 555,238</b>	<b>\$ 43,000</b>	<b>\$6,301,785</b>	\$6,242,809

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**RESOURCE PROPERTIES**

Merry Widow Property

Pursuant to an agreement dated March 25, 2004, the Company was granted an option to earn a 100% interest in mineral claims known as the Merry Widow property located in the Nanaimo Mining Division of British Columbia. Grande Portage Resources paid \$75,000 in cash and issued 450,000 common shares of the Company.

The property is subject to a 2% net smelter return royalty (NSR), with a minimum advance payment of \$16,000 due each calendar year following the year the option is exercised. The Company may purchase the NSR for \$750,000.

New Merry Widow Property

Pursuant to an agreement dated March 10, 2006, the Company was granted an option to earn a 100% interest in an area adjoining the Company's Merry Widow property. The Company is required to pay a total of \$75,000 and 275,000 common shares over four years. The property will be subject to a 2% Net Smelter Return ("NSR"). The Company may purchase 100% of the NSR for \$750,000.

MWM Property

Pursuant to an agreement dated July 26, 2006, the Company was granted an option to earn up to a 100% interest in seven mineral claims located in the Nanaimo Mining Division, B.C., known as the MWM Property.

The Company can acquire the MWM Property by making option payments in instalments aggregating \$60,000 and issuances of non-transferable share purchase warrants to acquire up to a total of 1,000,000 common shares of the Company (the "Warrants") over 18 months.

The Company decided to forgo exploration on the MWM property and it was written off to operations during the year ended October 31, 2009.

Good Sport and Newt Properties

Pursuant to an agreement dated January 17, 2006, the Company was granted an option to earn 100% in two mineral claims adjacent northeast and northwest to its current crown grants. For a cash payment of \$5,000 on each property, the Company would add another 329 hectares to its holdings (paid). Upon exercise of the option(s), the Company would be required to make cash payments totalling \$100,000 on each property to be acquired over three years and issue 400,000 shares on each property over three years (paid and issued). Each of the properties will be subject to a 2.5% NSR reserved to the original owners. In each case, the Company may purchase 50% of the NSR for \$1,000,000 in order to reduce the total net smelter return to 1.25%.

Kathleen Lake Property

Pursuant to an agreement dated March 10, 2006, the Company signed a 100% interest in three mineral claims in the Rupert District known as Kathleen Lake for \$25,000 (paid).

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Pass Property

Pursuant to an agreement dated August 30, 2008, the Company was granted an option to earn up to a 100% interest in two mineral claims located in the Omineca Mining Division of British Columbia known as the Pass property. To earn the 100% interest in these claims, the Company is required to pay a total of \$7,500 and complete minimum expenditures of \$500,000 over four years and 200,000 common shares if and when the first, second and third phase of the exploration program on the property has been completed.

The property is subject to a 3.0% net smelter return royalty (NSR), with payments due within 30 days after receipt of proceeds and 90 days after the end of each fiscal year thereafter. The Company may purchase 50% of the NSR for \$1,000,000.

New Mine Property

Pursuant to an agreement dated March 31, 2009, the Company was granted an option to earn up to a 100% interest in ten mineral claims located in the Omineca Mining Division of British Columbia. To earn the 100% interest in these claims, the Company was required to issue 50,000 shares within five days of the agreement and an additional 150,000 shares by August 30, 2011. The Company issued the original 50,000 shares. Pursuant to the agreement, the Company was required to complete minimum expenditures on the property of at least \$500,000 by August 30, 2011. The mineral claims lapsed on September 12, 2009 and the Company entered into a new agreement on September 17, 2009, wherein the Company has been given a 100% interest in the property in exchange for \$75,000. The Company is not required to issue any more shares or to meet the previous exploration expenditure requirements with regard to this agreement.

Scrutor Property

Pursuant to an agreement dated August 16, 2007, the Company was granted an option to earn up to a 100% interest in six mineral claims located in the Alberni Mining Division of British Columbia known as the Scrutor property. To earn the 100% interest in these claims, the Company is required to pay a total of \$100,000 and complete minimum expenditures of \$700,000 and 250,000 common shares over four years.

The property is subject to a 2.0% net smelter return royalty (NSR), with payments due within 30 days after receipt of proceeds and 90 days after the end of each fiscal year thereafter. The Company may purchase 50% of the NSR for \$750,000.

On May 11, 2009, the Company granted to Auracle Resources Ltd., (“Auracle”) the exclusive sub-option to acquire 70% of its interest in the Property. Under the terms of the Agreement Auracle must pay to Grande Portage the aggregate sum of \$120,000; incur an aggregate of at least \$775,000 of exploration expenditures on the Property; and issue to Grande Portage an aggregate of 250,000 common shares in varying increments by August 31, 2011.

During the year ended October 31, 2009, the Company terminated its Scrutor property agreement and the expenditures and acquisition costs related to the property were written off to operations.

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Tahsis Property

Pursuant to an agreement dated August 3, 2008, the Company was granted an option to earn up to a 100% interest in six mineral claims located in British Columbia. To earn the 100% interest in these claims, the Company is required to pay a total of \$10,000 and 100,000 common shares on the closing date.

Cherry Claims Property

Pursuant to an agreement dated April 10, 2008, the Company was granted an option to earn up to a 100% interest in 26 mineral claims located on the Vancouver Island of British Columbia. To earn the 100% interest in these claims, the Company is required to pay \$15,000 and 250,000 common shares as well as 250,000 share purchase warrants exercisable at \$0.60 per share for one year. The company must complete its investigations and airborne survey and complete minimum expenditures of \$200,000 within six months from the date of the agreement to earn 50% interest. To acquire the remaining 50%, the Company is required to pay an additional \$15,000 and issue a further 250,000 common shares as well as 250,000 share purchase warrants exercisable for one year at a price yet to be determined.

The property is subject to a 2.5% net smelter return royalty (NSR), with payments due immediately upon receipt of proceeds. The Company may purchase 60% of the NSR for \$1,500,000.

During the year ended October 31, 2009, the Company let the Cherry Property Claims lapse; therefore the property expenditures were written off to operations.

**Related Party Transactions**

The Company incurred management fees paid to a company owned by the President & CEO and to a company owned by a Director of the Company, consulting fees were paid to a Director of the Company:

	Six-months ended April 30,	
	2010	2009
Management fees	\$ 60,000	\$ 96,000
Consulting fees	\$ -	\$ -

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

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**Share Capital**

Issued and Outstanding:

	<b><u>Number Of Shares</u></b>	<b><u>Amount</u></b>
Balance, October 31, 2006	45,357,742	\$ 6,433,616
For cash:		
Pursuant to private placements – at \$0.70	9,218,000	6,452,600
Pursuant to private placements – at \$0.80	4,250,000	3,400,000
Exercise of options – at \$0.10	450,000	45,000
Exercise of warrants – at \$0.10	574,000	57,400
Exercise of warrants – at \$0.15	917,500	137,625
For resource property acquisition obligations	830,000	288,750
Agent's options fully paid – not issued		21,773
Less share issue costs:		
Income tax effect on F/T shares		(1,160,080)
Finder's fees		(651,216)
<b>Balance, October 31, 2007</b>	<b>61,597,242</b>	<b>\$ 15,025,468</b>
Agent's options issuance (paid in prior year)	145,150	-
Property acquisition obligation	350,000	52,750
<b>Balance, October 31, 2008</b>	<b>62,092,392</b>	<b>\$ 15,078,218</b>
Issued:		
Flow-through private placement – at \$0.06	1,700,000	102,000
Property payments	250,000	12,500
Income tax effect on flow-through shares		(32,130)
<b>Balance, October 31, 2009</b>	<b>64,042,392</b>	<b>\$ 15,160,588</b>
Shares issued for property	125,000	12,500
<b>Balance, April 30, 2010</b>	<b>64,167,392</b>	<b>\$ 15,173,088</b>

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Stock Options outstanding

At April 30, 2010, the Company had 6,040,000 (of which 5,800,000 are exercisable) share purchase options outstanding entitling the holders thereof the right to purchase one share for each option held.

A summary of the outstanding stock options is presented below:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,600,000	\$0.10	July 25, 2010
1,225,000	\$0.15	March 17, 2011
350,000	\$0.15	July 12, 2011
900,000	\$0.15	September 29, 2011
420,000	\$0.15	November 9, 2011
100,000	\$0.15	July 17, 2012
300,000	\$0.15	August 15, 2012
220,000	\$0.15	October 4, 2011
375,000	\$0.15	October 8, 2013
450,000	\$0.15	June 4, 2014
100,000	\$0.15	August 6, 2014
<b>6,040,000</b>		

Share Purchase Warrants

At April 30, 2010, the Company had 850,000 share purchase warrants outstanding pursuant to its flow-through financing.

During the twelve-month period ended October 31, 2009, the Company issued 1,700,000 flow-through units at \$0.06 per unit for gross proceeds of \$102,000, each unit consists of one share and one-half of one non-flow-through share purchase warrant at an exercise price of \$0.10 expiring December 31, 2010.

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**Risks and Uncertainties**

Exploration and Development

Exploration for minerals or precious gems is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company will result in discoveries of commercial metal reserves.

Mining and development risk always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of a natural occurring mineral deposit. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed.

Metal and prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors, beyond the control of the Company, may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned.

Price Volatility of Public Stock

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares may be affected by such volatility.

Economic Conditions

Unfavourable economic conditions may negatively impact Grande Portage's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate Grande Portage.

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**CONFLICTS OF INTEREST**

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Grande Portage may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, Grande Portage will follow the provisions of the Business Corporations Act in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of Grande Portage are required to act honestly, in good faith and in the best interests of the Company.

**SUBSEQUENT EVENTS**

On June 17, 2010, the Company announced that it has entered into an agreement with Quaterra Resources Inc. (TSX-V: "QTA", NYSE Amex: "QMM") to explore the Herbert Glacier gold property located 20 miles north of Juneau, Alaska.

GPG has the right to earn a 51% interest in the Property and the Lease by incurring Expenditures on the Property of not less than USD\$750,000 on or before June 15, 2011. The Company can earn an additional 14% interest in the Property and the Lease for an aggregate 65% interest in the Property and the Lease by incurring Expenditures on the Property of not less than an additional USD\$500,000 on or before June 15, 2012. If Grande Portage acquires an interest, then Grande Portage and Quaterra will form a joint venture for the further exploration and development of the project, with each party bearing their proportionate share of costs, and a dilution formula will be applicable to any non-contributing party to reduce such party's joint venture interest. If either party is reduced to 10% or less, then such party's joint venture interest will be reduced to a 1% net smelter returns royalty, which may be acquired by the other party for USD\$1 million.

The Herbert Glacier Property comprises 1,880 acres, and consists of 74 Federal unpatented mining claims and 17 leased mining claims, which host six main composite vein-fault structures that contain ribbon structure quartz-sulfide veins. The structures strike east-west and dip steeply, mostly to the north. Only one of the six known vein systems was drilled in 1986 and 1988. Sampling in 2007 shows that all six structures locally have high-grade gold-quartz mineralization and should be drill tested.

The Herbert Glacier property is subject to a mining lease dated November 1, 2007 with the underlying property owners for a term of 20 years, with a right of renewal. During the option period, Grande Portage will assume the annual lease minimum work commitments of USD\$50,000 on the property, and pay annual advance royalties of USD\$12,000 until October 31, 2011, increasing to USD\$20,000 thereafter until October 31, 2017, and thereafter increasing to USD\$30,000 per annum for the term of the lease. All advance royalties will be credited towards and offset the underlying net smelter returns royalty of 3% to 5% on a sliding scale based on the price of gold, and being 5% where gold exceeds USD\$601 per oz.

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The vein systems are strongly enriched in gold (Au): Of 199 rock chip samples collected during a reconnaissance mapping and sampling program in the summer of 2007, almost half (94 samples) contained more than 1g/t Au; 33 samples contained more than 10 g/t; and 12 contained more than one ounce of Au/ton<sup>(1)</sup> One 1.5 ft. (about 46 cm) banded quartz vein with visible gold assayed 81.9 g/t (about 2.39 oz/ton) Au. Veins typically pinch and swell, but individual veins are as much as 14 feet thick and composite veins up to more than 20 feet across. The veins are competent, but occur within halos of altered quartz diorite, and are generally marked on surface by deep trenches eroded from the incompetent altered host rocks. Gold is accompanied, in approximate decreasing order by arsenopyrite, pyrite, and galena with lesser amounts of scheelite, chalcopyrite, and sphalerite. The Herbert Glacier property lies within the 100-mile long Juneau gold belt, which has produced nearly seven million ounces of gold through a total depth range of thousands of feet. Trace elements typical of the gold belt and the mesothermal aspect of the ribboned quartz veins suggest that the veins of the Herbert Glacier property could be persistent in both strike and depth.

The Summit vein, part of the southernmost of the six vein systems, was known in the early days of the Juneau district. Much of the area now known to be mineralized was, however, covered by glacial ice. Veins were exposed as the ice receded and discoveries were made in the 1980s. The next system to the north, called the Herbert Vein, was drilled in 1986 and 1988 respectively by Tenneco Minerals and its successor Echo Bay Mining Co. The structure was explored on approximate 200 foot intervals along a 2,000 foot strike length with 5,272 feet of drilling in 19 core holes. Shallow angle holes established continuity of gold mineralization in the vein system and found intercepts of up to 12.84 oz Au/ton.

Highlights of this drilling are shown in the table below:

Drill holes are listed below in order west to east over about 2000 feet strike length. All intercepts >1-ft of 0.3 oz/ton Au are shown. The data is from reports by George A. Moerlein for Tenneco Minerals (1986) and Echo Bay Mining Co (1988).

Hole	From (ft)	To (ft)	Interval <sup>(3)</sup>	oz/ton Au
H-9	88.0	89.2	1.2	0.38
H-6	190.0	191.0	1.0	3.85
H-5	165.5	168.1	2.6	0.93
H-2	147.0	149.0	2.0	0.99
H-1	78.0	84.0	6.0	0.93
H-13	286.5	300.5	14.0	0.98
Includes	296.8	297.8	1.0	12.64
H-12	160.4	162.0	1.6	0.31
H-12	165.5	168.4	2.9	0.31

All drilling was NQ core with excellent recovery.

A metallurgical study on a 240 pound composite sample by the US Bureau of Mines indicated that 88% of the gold was free milling and could be recovered by gravity methods (Herbert Glacier – No. JU097, ARDF file, Juneau Quadrangle, U.S. Geological Survey).

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On signing the agreement, Ian Klassen, President of Grande Portage remarked, "We are delighted to be working along side Quattera on the Herbert Glacier. This high-grade gold project has all the makings of a significant asset. We intend to drill approximately 4,000 ft this summer and hope to demonstrate similar grades and tonnages at depth and in the other parallel veins. We believe that this project could represent a significant gold deposit for the Company."

On June 21, 2010, the Company announced that it has engaged Core One Enterprises LLC. of Delta, Colorado to conduct its upcoming drill program at the Herbert Glacier mesothermal gold vein project in Alaska this summer.

The claims host six main composite vein-fault structures that contain ribbon structure quartz-sulphide veins. The structures strike east-west and dip steeply, mostly to the north. Only one of the six known vein systems was drilled in 1986 and 1988. All six structures locally have high-grade gold-quartz mineralization and are recommended to be drill tested.

Commencing in early August, the Company will drill (using NQ core) approximately 8000 feet from approximately six drill sites to further test possible ore-shoots in vein no. 1 identified in historic drilling and begin to test the underground potential of several other veins found to be strongly enriched gold-bearing in surface studies done in 2007.

The Company will conduct this drill program under its newly created subsidiary GPG Alaska Resources Inc.

As well, the Company wishes to indicate that it is fully financed for the 2010 and 2011 drill seasons as per its recently announced option agreement.