

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

Date of Report: August 29, 2011

Overview

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Julian Resources Inc., ("Julian" or the "Company") for the three months ended May 31, 2011. This MD&A has been prepared as of August 29, 2011 and includes information up to that date.

The MD&A supplements, but does not form part of, the unaudited financial statements of the Company for the three months ended May 31, 2011 and 2010. The following MD&A should be read in conjunction with the Company's unaudited financial statements for the three months ended May 31, 2011 and 2010. The financial statements and the notes therein have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information may be found on SEDAR at www.sedar.com and www.julianresources.com.

Forward-Looking Information

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," or "continue" or the negative thereof or variations thereon or similar terminology. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Overall Performance

Julian Resources Inc. (the "Company") is engaged in the business of acquisition and exploration of mineral resource properties in British Columbia, Canada. The company's focus is to explore for and locate economic mineral deposits in areas that are in proximity to existing and past producing mines and resource-based infrastructure. The Company's objective is to partner or sell such deposits to a larger mining company for development and operation or under certain conditions, carry the project to production.

The Company was incorporated on October 17, 2006 under the laws of British Columbia as a Capital Pool Company ("CPC") as defined in CPC Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Company completed its initial public offering ("IPO") on June 19, 2007, and its shares were listed and commenced trading on the Exchange on June 21, 2007, under the symbol "JLR.P".

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

On July 28, 2009, the Exchange accepted for filing the Company's Qualifying Transaction.

On August 26, 2009, the Company resumed trading on the Exchange as a Tier 2 mining company under the symbol "JLR" and the Company was no longer considered a Capital Pool Company

As a junior mineral exploration company, the Company's core assets are the exploration rights to its mineral properties. The Company's current objective is to seek out and acquire prospective mineral exploration properties in North America with the view to exploring and developing the properties.

The Company currently has no producing properties, and consequently no operating income or cash flow. The Company is dependent on the equities markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

In the opinion of management, all adjustments consisting of normal recurring adjustments, considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows, have been included. The Company has not commenced operations and therefore, no segmented information is available.

The Company entered into an Option Agreement dated March 31, 2009, (the "Agreement") to earn up to a 65% interest over a period of three years from Happy Creek Minerals Ltd. ("Happy Creek") in the mineral properties known as the Hawk Property and the Grey Property, located in the Clinton Mining Division, in the Province of British Columbia (together, the "Property"). Under the Agreement, JLR has been granted, subject to an existing 2.5% net smelter return on the Hawk Property and an existing 2% net smelter return on the Grey Option, exclusive rights to acquire an undivided 55% legal and beneficial interest in the Property by making aggregate cash payments of \$150,000, issuing an aggregate of 700,000 shares to Happy Creek and incurring aggregate exploration Expenditures on the Property of \$700,000.

Under the Agreement the Company agreed to make cash payments to Happy Creek as follows:

- (i) \$10,000.00 CDN upon execution of the Agreement; (Paid on April 3, 2009);
- (ii) \$15,000.00 CDN on the date of the Final Exchange Bulletin; (Paid on August 25, 2009);
- (iii) \$20,000 CDN on or before the first anniversary of the Agreement date; (Paid on March 31, 2010)
- (iv) \$45,000 CDN on or before the second anniversary of the Agreement date; and
- (v) \$60,000 CDN on or before the third anniversary of the Agreement date.

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

The Company had also agreed to issue an aggregate of 700,000 shares to Happy Creek as follows:

- (i) 100,000 shares on the date of the Final Exchange Bulletin; (Issued on August 25, 2009);
- (ii) 100,000 shares on or before the first anniversary of the Final Exchange Bulletin; (Issued on August 25, 2009);
- (iii) 200,000 shares on or before the second anniversary of the Final Exchange Bulletin; and
- (iv) 300,000 shares on or before the third anniversary of the Final Exchange Bulletin.

Having received no encouraging results from exploration activities conducted on the Property, on January 25, 2011, the Company announced that it has decided to abandon its work on the Hawk Property and to return the property to Happy Creek Minerals Ltd., the optionor, having fulfilled all obligations there under and to identify and pursue other opportunities.

Gunpoint Properties

The Company entered into an agreement dated effective January 25, 2011, amended March 30, 2011 (the "Agreement"), pursuant to which JLR will acquire from Gunpoint a 100% interest in Gunpoint's Big Kidd and Little Fort claims groups in the Kamloops and Nicola Mining Districts in British Columbia (the "Acquisition"). The purchase price for these two groups of claims is a cash payment to Gunpoint of \$100,000 and the issuance 1,875,000 common shares of JLR. JLR's title to the Big Kidd and Little Fort claims will be subject to a 2.5% net smelter return royalty in favor of Gunpoint and applicable Crown royalties. Gunpoint and JLR are at arm's length to each other. TSX Venture Exchange ("TSXV") granted a conditional approval to JLR on March 4, 2011. The key condition is to request JLR to provide a NI43-101 report. Mr. Peter Folk, P. Eng. completed and submitted his NI43-101 report to TSXV for review and approval on May 12, 2011. TSXV's approval was in process till May 31, 2011.

About the Big Kidd Property

The Big Kidd property comprises four contiguous mineral tenures totaling 4,055.77 hectares and is located 20 kilometers southeast of the city of Merritt, B.C. The property is centered upon latitude 49°57' north and longitude 120°37' west. The exploration target at the Big Kidd property is alkali porphyry type copper-gold deposit.

About the Little Fort Property

The Little Fort property consists of 12 mineral tenures for a total area of 8,654 hectares and is located approximately 25 kilometers to the northwest of the town of Little Fort, B.C. The property is centered upon latitude 51°29'33" north and longitude 120°23'42" west. The exploration target at the Little Fort property is skarn type copper-gold deposit.

About Gunpoint Exploration Ltd.

Gunpoint is a publicly traded mineral exploration company (TSXV: GUN). For a more complete business and financial profile of the Company, interested parties are encouraged to visit the Company's website, www.gunpointexploration.com.

JULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

Financial Results of Operations

The following is a summary of selected financial data for the Company for the three most recently completed years, accompanied by a discussion of those factors affecting the comparability of the data, including, where applicable, discontinued operations, changes in accounting policies, significant acquisitions or disposals and major changes in the direction of the Company's business.

	Prepared in accordance with IFRS	Prepared in accordance with Canadian GAAP	
	Feb 28, 2011	Feb 28, 2010	Feb 28, 2009
As at and for the year ended			
Interest revenue	\$17,102	\$32,970	\$65,188
Net loss	\$-446,003	\$-120,536	\$-75,595
Basic net loss per share	\$-0.05	\$-0.01	\$-0.01
Total assets	\$1,333,334	\$1,700,076	\$1,797,282
Basic weighted average number of shares outstanding	9,671,507	9,437,957	9,320,000

The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

	Prepared in accordance with IFRS					Prepared in accordance with Canadian GAAP		
	May 31, 2011	Feb. 28, 2011	Nov. 30, 2010	Aug. 31, 2010	May 31, 2010	Feb. 28, 2010	Nov. 30, 2009	Aug. 31 2009
	\$	\$	\$	\$	\$	\$	\$	\$
For the quarter ended								
Interest revenue	4,234	4,759	4,678	4,423	3,242	3,451	9,154	10,162
Loss before income taxes	-38,936	-316,128	-37,432	-49,233	-43,210	-43,659	-19,663	-24,981
Net income (loss)	-38,936	-316,128	-37,432	-49,233	-43,210	-43,659	-19,663	-24,981
Basic net income (loss) per share	0.00	-0.05	0.00	-0.01	0.00	-0.01	-0.01	-0.01

The Company has no dividend policy and has no intention of developing a dividend policy in the foreseeable future. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

Results of Operation during the three months ended on May 31, 2011

The Company had a net loss for the three months ended May 31, 2011 (the "Current Quarter") of \$ (compare to \$ in the fourth quarter of 2011): \$ General and Administrative related expenses (compare to \$ in the fourth Quarter of 2011); offset by Interest income \$, Other income \$, and one time write down of mineral properties of \$, (compare to \$ of other items in the fourth Quarter of 2011). The breakdown of the General and Administrative related Expenses for the first quarter is listed below:

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

Amortization Expense	\$1,252
Filing & Transfer Agent Fees	\$1,204
Consulting Fee	\$18,375
Office, Administration	\$2,608
Professional and Legal Expenses	\$4,095
Payroll Related Expenses	\$13,229
Travel Expenses	\$2,408
Total General & Admin. Expenses	\$43,170

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited quarterly financial statements prepared by management. The Company's interim financial statements are prepared in accordance with Canadian GAAP.

The financial statements of the Company have been prepared in accordance with Canadian GAAP. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Financial Results	February 28, 2011	November 30, 2010	August 31, 2010	May 31, 2010
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	-\$316,128	-\$37,432	-\$49,233	-\$43,210
Loss Per Share				
Basic & Diluted	-\$0.03	\$0.00	-\$0.01	\$0.00
Financial Results	February 28, 2010	November 30, 2009	August 31, 2009	May 31, 2009
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	-\$43,659	-\$19,663	-\$24,981	-\$32,233
Loss Per Share				
Basic & Diluted	\$0.00	\$0.00	\$0.00	\$0.00

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

Balance Sheet Data	February 28, 2011	November 30, 2010	August 31, 2010	May 31, 2010
Cash and Term Deposit	\$1,291,707	\$1,344,640	\$1,347,182	\$1,408,164
Prepaid Expenses	5,422	6,650	6,650	6,650
GST/HST Recoverable	18,454	14,396	11,683	7,954
Total Assets	1,333,334	1,606,526	1,606,758	1,647,741
Shareholders' Equity	\$1,290,257	\$1,569,326	1,606,758	\$1,644,991

Balance Sheet Data	February 28, 2010	November 30, 2009	August 31, 2009	May 31, 2009
Cash and Term Deposit	\$1,587,619	\$1,638,345	\$1,683,459	\$1,747,892
Prepaid Expenses	2,905	1,650	1,650	14,650
GST Recoverable	8,272	6,748	4,838	1,524
Total Assets	1,700,076	1,774,938	1,689,947	1,764,938
Shareholders' Equity	\$1,688,201	\$1,764,860	\$1,784,523	\$1,746,504

Changes in Accounting Policies including Initial Adoption

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles (“GAAP”) and IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of March 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended February 28, 2011.

Liquidity

As at May 31, 2011, the Company had positive working capital of \$ (compared to \$ at February 28, 2010) which included cash, cheques written in excess and a redeemable term deposit of \$, (compare to \$at February 28, 2010).

Other than the mineral property claims listed above, the Company does not currently hold an interest in any other business nor does it have an interest in any fixed assets, other than office equipment directly or indirectly. The Company’s activities have been funded through equity financing and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

There can be no assurance that the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, term deposit, account payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Credit risk

The Company does not believe it is subject to any significant credit risk as cash and the term deposit are held with a major financial institution.

Currency risk

Foreign currency exchange rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major transactions are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is minimal and therefore does not hedge its foreign exchange risk.

Capital Management

The Company considers that its capital consists of the items included in shareholders' equity, cash, term deposit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

The Company's capital management objectives are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis as well as continue the exploration of its mineral property and support and expansionary plans.

Commitments and Contractual Obligations

The following paragraph summarizes at February 28, 2011 certain contractual obligations for the periods specified, from a purchase and option agreement with Gunpoint Exploration Ltd. for the Gunpoint's B.C. properties which was announced on January 25, 2011. This agreement was amended and restated effective as of the 30th day of March, 2011 subsequently, and is subject to TSX Venture Exchange ("TSXV") approval.

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

Pursuant to the Agreement, Jiulian will purchase a 100% interest in Gunpoint's Big Kidd and Little Fort claims groups (the "Acquisition"). The purchase price for these two groups of claims is a cash payment to Gunpoint of \$100,000 and the issuance 1,875,000 common shares of JLR. JLR's title to the Big Kidd and Little Fort claims will be subject to a net smelter return royalty in favor of Gunpoint and applicable Crown royalties. Gunpoint and JLR are at arm's length to each other. Following the closing of the Acquisition, Dr. E. Max Baker will join the board of directors of JLR.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet agreements other than disclosed under Commitments and Contractual Obligations above.

Related Party Transactions

During the year ended February 28, 2011, the Company paid consulting fees of \$84,400 to certain directors of the Company, compared to \$45,200 in the year of 2010.

The transactions with related parties are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

Other MD&A Requirements:

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

Issued Common Shares:

	Common Shares	
	Outstanding	Amount
Seed shares	2,700,000	\$135,000
IPO shares	2,000,000	200,000
Private placements	4,620,000	1,663,200
Agent option excised	200,000	30,000
New shares issued	200,000	21,000
Share issuance costs	-	(53,250)
Total	9,720,000	\$ 1,995,950

As at February 28, 2011, 1,215,000 shares are subject to an escrow agreement and will be released from escrow in stages upon completion of the Company's qualifying transaction and every six months thereafter.

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

Issued Stock Options and agents options:

	Number of Shares	Exercise Price	Expiry Period
Options Issued Granted to Directors and officers	350,000	\$ 0.10	June 19, 2012
Granted to Directors and officers	40,000	\$ 0.36	July 15, 2012
Granted to Directors and officers	530,000	\$ 0.15	April 21, 2013
Total	920,000		

Risks and Uncertainties

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

JIULIAN RESOURCES INC.
FORM 51-102F1
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2011
(Expressed in Canadian dollars unless otherwise noted)

Additional Disclosure for Venture Issuers without Significant Revenues

During the period ended February 28, 2011, the Company wrote down its capitalized mineral property and deferred exploration cost totaling \$223,010, related to the Hawk property. Details of the general and administration expenses are disclosed in the audited financial statements of the Company for the year end February 28, 2011.

Outlook

The Company's primary focus for the foreseeable future will be on reviewing its financial position, continuing exploration activities on its mineral property and financing new business ventures in the mineral resource industry.

Approval

The board of directors of JLR has approved the disclosure contained in this Annual MD&A. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.

On behalf of the board

Jiulian Resources Inc.

"X. Charlie Cheng"
President, CEO