



ANNUAL REPORT 2009

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To Shareholders:

Though the past year continued to be challenging for many junior exploration and mining companies in a recovering global market, Fjordland has shown strength by advancing its key Woodjam Joint Venture projects (60% Fjordland/40% Cariboo Rose) and has positioned itself for growth in a re-emerging base and precious metals industry in British Columbia. The long-term fundamentals for these metals remain strong.

The Company continues to focus on the discovery of exciting mineral deposits in mining friendly jurisdictions; its portfolio currently includes over 20 copper+/-gold+/-molybdenum type properties, located in easily accessible areas of central British Columbia.

The highlight of the 2009 season was the signing, on July 29, 2009, of an Option and Joint Venture Exploration Agreement with Gold Fields Horsefly Exploration Corporation (a member of the Gold Fields Limited group of companies); Gold Fields can earn up to a 70% interest in a portion of the Woodjam gold-copper property, referred to as Woodjam North, by expending \$19 million on exploration over 7 years. This arrangement with one of the world's largest gold producers allows for aggressive advancement of the property without significant share dilution. During 2009, Gold Fields completed a comprehensive Phase One exploration program, including drilling 4,582 meters in 14 holes on the Takom and Deerhorn zones. The assay results from this program confirmed the expansion potential of known mineralization in both zones. In February, 2010, Gold Fields resumed drilling with 7,000 meters planned in Phase Two. In July 2010, Gold Fields has the option to pay the Company \$72,000 and initiate a large program as part of its second year earn-in requirements.

On December 2, 2009, the Woodjam Joint Venture received an earn-in proposal for its Woodjam South Property, which includes the promising Southeast Zone copper-gold-molybdenum discovery made in 2008, from a major international mining company. Gold Fields exercised the right-of-first-refusal it holds under the Woodjam North Agreement on this property, and presented the WJV with a Draft Agreement in early January, 2010. The Parties continue to work through this Draft Agreement and anticipate finalization shortly. The Company anticipates a major exploration program will take place on Woodjam South in 2010.

In late 2009 and early 2010, the Company acquired by staking a 100% interest in 8 prospective, porphyry-type properties (Tak Properties) totalling in excess of 45,000 hectares, in central BC. The Company is currently in discussions with interested third parties with respect to an arrangement to explore this package of 8 properties.

The Company elected to not participate in the QUEST Joint Venture 2009 program in order to preserve funds. Seven of the eleven remaining properties have defined drill targets. Joint venture partner, Serengeti Resources Inc., completed 3 drill holes totalling 790 metres on the Mil property, located 15 kilometres southwest of the Mt. Milligan deposit. The results were inconclusive. The Company's share in the JV was diluted to approximately 40%; it maintains the right to participate in any future work in the QUEST project.

Our success at Woodjam, including two new discoveries in 2008, not only helps our marketing efforts, but opens up more opportunities to us, especially in terms of property submissions from prospectors and junior companies who recognize our technical and management skills in discovering and advancing projects.

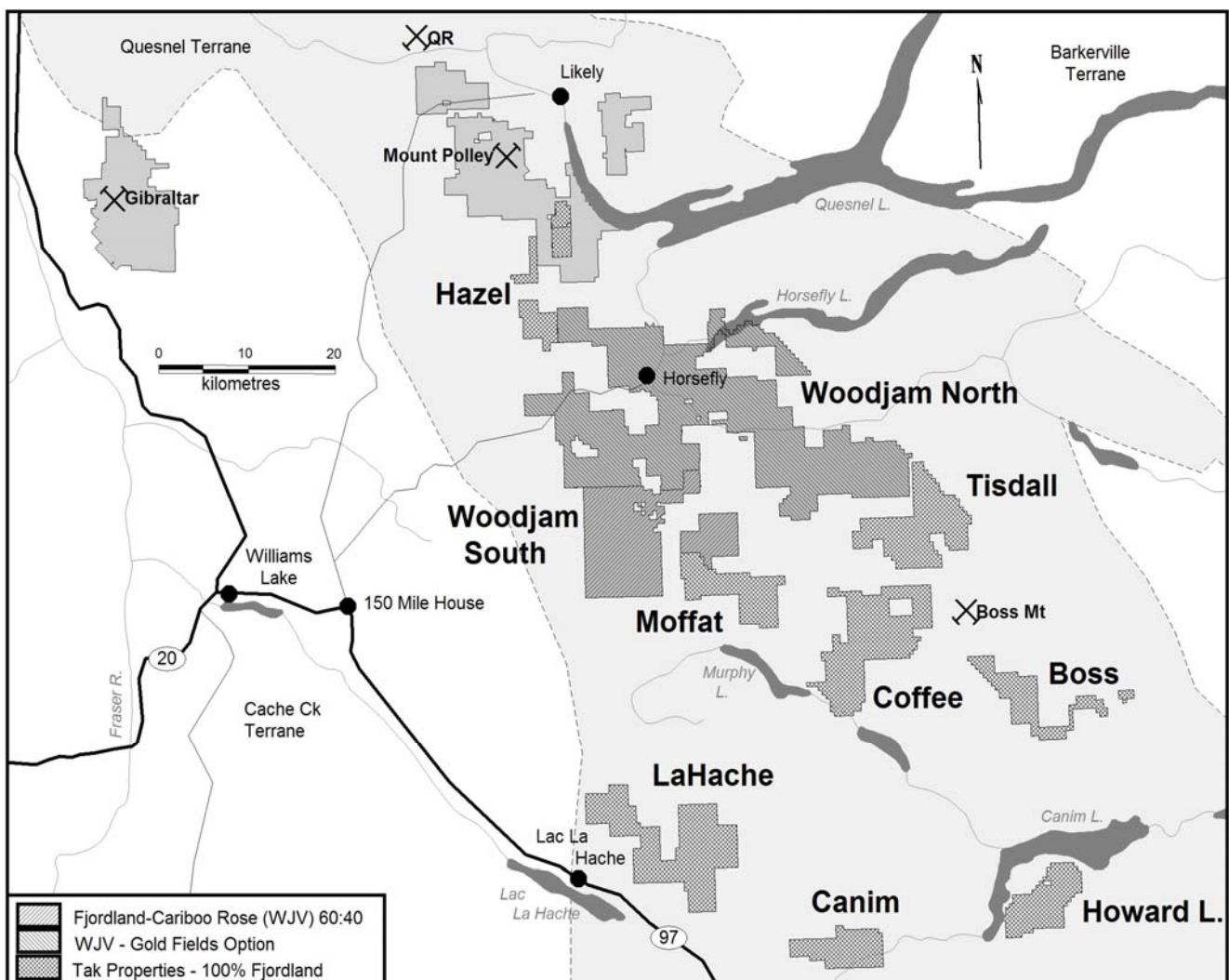
As part of our strategy, we continue to look at all of our assets for ways to leverage and extract value, either on our own or as part of an option/joint venture as exemplified by the Gold Fields' Agreement. The upcoming year will be exciting as Fjordland moves forward on its Woodjam North and Woodjam South projects, as well, as its other properties.

I look forward to continued improving markets and further exploration successes in 2010. On behalf of the Board of Directors and the management team of Fjordland, I sincerely thank you, the shareholders, for your strong support and confidence during the past year.

On behalf of the Board of Directors,

“Thomas G. Schroeter”

Thomas G. Schroeter, P.Eng., P.Geo.
President, CEO & Director
April 20, 2010



AUDITORS' REPORT

To the Shareholders of
Fjordland Exploration Inc.

We have audited the consolidated balance sheets of Fjordland Exploration Inc. as at December 31, 2009 and 2008 and the consolidated statements of operations and comprehensive loss, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Accountants

April 20, 2010



FJORDLAND EXPLORATION INC.
Consolidated Balance Sheets
December 31
Canadian Funds

	2009	2008
Assets		
Current		
Cash	\$ 297,052	\$ 129,152
Receivables	11,279	187,479
Prepays	11,316	12,665
	319,647	329,296
Mineral Properties (Note 5)	4,947,961	4,936,249
Deposit for Reclamation	23,000	19,500
Equipment (Note 6)	4,360	7,370
	\$ 5,294,968	\$ 5,292,415
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 43,367	\$ 39,846
Shareholders' Equity		
Share Capital (Note 7)	16,787,986	16,585,168
Option Compensation	1,159,980	1,191,474
Contributed Surplus	516,210	73,994
Deficit	(13,212,575)	(12,598,067)
	5,251,601	5,252,569
	\$ 5,294,968	\$ 5,292,415

Continued Operations (Note 1)
 Commitments (Note 13)
 Subsequent Events (Note 15)

On behalf of the Board:

"Thomas G. Schroeter"
 Thomas G. Schroeter

"G. Ross McDonald"
 G. Ross McDonald

FJORDLAND EXPLORATION INC.
Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended December 31
Canadian Funds

	2009	2008
General and administrative expenses		
Accounting and audit	\$ 72,528	\$ 87,246
Administration fees	36,357	43,749
Amortization	3,010	3,524
Consulting fees	3,600	12,000
Filing fees	13,064	6,781
Interest	-	5,120
Legal fees	2,971	3,784
Office and printing	27,791	25,072
Rent	35,128	32,235
Shareholders' information	65,507	114,652
Stock-based compensation <i>(Note 7 (d))</i>	342,722	328,814
Transfer agent fees	4,382	8,978
Wages and benefits	36,560	52,825
Loss Before Other Items	(643,620)	(724,780)
Other Items		
Interest income	2,535	13,323
Contract settlement <i>(Note 5(e), 7(e))</i>	(148,000)	-
Property investigation	(13,620)	(8,241)
Recovery of mineral property expenditures previously written off	-	28,540
Mineral properties written-off <i>(Note 5)</i>	(803)	(22,200)
Loss Before Income Taxes	(803,508)	(713,358)
Future income tax recovery <i>(Note 12)</i>	189,000	182,227
Loss and Comprehensive Loss for the Year	\$ (614,508)	\$ (531,131)
Basic and Diluted Loss Per Share	\$ (0.01)	\$ (0.01)
Weighted Average Shares Outstanding	64,811,489	55,767,133

See accompanying notes to the consolidated financial statements

FJORDLAND EXPLORATION INC.
Consolidated Statements of Cash Flows
For the Years Ended December 31
Canadian Funds

	2009	2008
Cash provided by (Used in):		
Operating Activities		
Loss for the year	\$ (614,508)	\$ (531,131)
Less: non cash items		
Amortization	3,010	3,524
Stock-based compensation	342,722	328,814
Contract settlement	148,000	-
Mineral properties written-off	803	22,200
Future income tax recovery <i>(Note 12)</i>	(189,000)	(182,227)
Net Change in non-cash working capital		
Receivables	34,256	70,974
Prepaid expenses	1,349	7,086
Accounts payable	7,431	(23,876)
	(265,937)	(304,636)
Financing Activities		
Shares issued for cash, net of issue costs	310,418	1,243,723
	310,418	1,243,723
Investing Activities		
Mineral property recoveries and option payments	382,011	1,027,526
Mineral property expenditures	(255,092)	(2,927,123)
Reclamation deposits	(3,500)	4,671
	123,419	(1,894,926)
Change in Cash	167,900	(955,839)
Cash Position - Beginning of Year	129,152	1,084,991
Cash Position - End of Year	\$ 297,052	\$ 129,152

Supplemental Disclosure with Respect to Cash Flows *(Note 8)*

FJORDLAND EXPLORATION INC.
Consolidated Statements of Shareholders' Equity
For the Years Ended December 31
Canadian Funds

	Share Capital		Option	Contributed	Deficit	Total
	No. of Shares	Amount	Compensation	Surplus		Shareholder's
	(Note 7)		(Note 7(d))			Equity
Balance December 31, 2007	51,241,794	\$ 15,470,011	\$ 930,785	\$ 45,430	\$ (12,066,936)	\$ 4,379,290
Shares issued for cash						
Private placements, net of issue costs	10,334,476	1,163,723	-	-	-	1,163,723
Exercise of options	800,000	80,000	-	-	-	80,000
Issued for other consideration						
Mineral properties	60,000	14,100	-	-	-	14,100
Tax cost recognized on issuance of flow-through shares	-	(182,227)	-	-	-	(182,227)
Transfer to share capital on exercise of options	-	39,561	(39,561)	-	-	-
Transfer to contributed surplus on expiry of options	-	-	(28,564)	28,564	-	-
Stock-based compensation	-	-	328,814	-	-	328,814
Loss for the year	-	-	-	-	(531,131)	(531,131)
	11,194,476	1,115,157	260,689	28,564	(531,131)	873,279
Balance, December 31, 2008	62,436,270	16,585,168	1,191,474	73,994	(12,598,067)	5,252,569
Shares issued for cash						
Private placement, net of issue costs	2,088,320	143,718	-	-	-	143,718
Exercise of warrants	1,667,000	166,700	-	-	-	166,700
Issued for other consideration						
Mineral properties	20,000	1,400	-	-	-	1,400
Tax cost recognized on issuance of flow-through shares	-	(189,000)	-	-	-	(189,000)
Transfer to contributed surplus on expiry of options	-	-	(374,216)	374,216	-	-
Settlement of contract dispute	1,000,000	80,000	-	68,000	-	148,000
Stock-based compensation	-	-	342,722	-	-	342,722
Loss for the year	-	-	-	-	(614,508)	(614,508)
	4,775,320	202,818	(31,494)	442,216	(614,508)	(968)
Balance December 31, 2009	67,211,590	\$ 16,787,986	\$ 1,159,980	\$ 516,210	\$ (13,212,575)	\$ 5,251,601

See accompanying notes to the consolidated financial statements

1. CONTINUED OPERATIONS

The Company was incorporated on September 19, 1996 pursuant to the *Company Act* (British Columbia) and the common shares were listed for trading on the TSX Venture Exchange ("Exchange"). The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow.

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

As at December 31, 2009, the Company has an accumulated deficit of \$13,212,575 (2008 - \$12,598,067), has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The Company's ability to continue as a going concern is dependent on its ability to raise equity financing and attain profitable operations. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures.

These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities and the reported revenues and expenses should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

(a) Basis of Presentation

These consolidated financial statements include the accounts of the Company and its wholly owned inactive subsidiary Nevada Prospectors Inc. ("NPI").

(b) Mineral Properties

Acquisition costs of mineral properties and direct exploration expenditures thereon are capitalized on an individual prospect basis. Costs relating to properties abandoned are written-off when such decision is made. When production is attained, these costs are reclassified as mining assets and are amortized using the unit of production method based upon estimated recoverable reserves.

If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to develop the properties and future profitable production from the properties or proceeds from disposition.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain mineral claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated title to its mineral interests and, to the best of its knowledge, ownership of its interests are in good standing.

FJORDLAND EXPLORATION INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2009 and 2008
Canadian Funds

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property Option Agreements

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received. The Company does not accrue the estimated costs of maintaining its mineral interests in good standing.

(d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recognized using the following:

Office equipment - 30% declining balance
Furniture and fixtures - 20% declining balance
Leasehold improvements - straight line basis over term of lease

(e) Stock-Based Compensation

The Company accounts for stock-based payments to directors, employees and non-employees, including direct awards of stock, using the Black-Scholes option pricing model, a fair value based method, and are recorded as an expense over the period the stock-based payments are vested with a corresponding increase in shareholders' equity under option compensation. When stock options are exercised the corresponding fair value is transferred to share capital. When stock options are forfeited, cancelled or expired the corresponding fair value is transferred to contributed surplus.

(f) Earnings (Loss) per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

For the years presented, this calculation proved to be anti-dilutive and is not presented separately.

(g) Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

The Company does not have any significant asset retirement obligations.

(h) Share Capital

Share capital is comprised of proceeds from share issuances, net of issue costs. Shares issued for consideration other than cash are valued at the quoted market price on the date of issue.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Share Capital (continued)

Canadian tax legislation permits a company to issue flow-through common shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investor(s) rather than the company. The Company records a future income tax liability and a reduction in share capital for the estimated tax benefit transferred to the investor(s).

When flow-through expenditures are renounced, a portion of future income tax assets not recognized in previous years, due to the recording of valuation allowance, will be offset against related future income tax liabilities and recognized as a recovery of future income taxes in the Statement of Operations.

(i) Foreign Currency Translation

The accounts of the Company's foreign operations have been translated into Canadian dollars, using the temporal method, as follows:

- (i) Monetary assets and liabilities at year-end rates;
- (ii) All other assets and liabilities at historical rates; and
- (iii) Revenue and expense and exploration and development items at rates approximating those in effect at the time of the transactions.

Exchange gains and losses arising from these transactions are reflected in income or expense in the year.

(j) Future Income Taxes

The Company uses the asset and liability method of accounting for income taxes whereby the change in the net future tax asset or liability is included in income. The income tax effects of temporary differences at the time when income and expenses are recognized in accordance with Company accounting practices, and the time they are recognized for income tax purposes, are reflected as future income tax assets or liabilities. Future income tax assets and liabilities are measured using statutory rates that are expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

(k) Management's Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas of estimate include the impairment of assets and rates for amortization, accrued liabilities, future income tax balances and valuation allowances, and the inputs used in calculating stock-based compensation. Actual results may differ from those estimates and may impact future results of operations and cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments

The Company classifies all financial instruments as either held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instruments classification. Held-for-trading instruments are measured at fair value with unrealized gains and losses recognized in results of operations. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost.

The Company has classified its cash as held-for-trading. Receivables are classified as loans and receivables. Deposits for reclamation are classified as held to maturity. Accounts payable and accrued liabilities are classified as other financial liabilities; all of which are measured at amortized cost.

The Company follows CICA Handbook Section 3862, *Financial instruments – disclosures*, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages such risks.

The Company also follows CICA Handbook Section 3863, *Financial instruments – presentation*, which establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

(m) Capital disclosures

The Company follows CICA Handbook Section 1535 "Capital Disclosures", which sets out standards for disclosing information about an entity's capital and how it is managed. See Note 9 for disclosure.

(n) Comprehensive Income

Comprehensive income is defined as the change in equity (net assets) from transactions and other events from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that, in accordance with primary sources of GAAP, are recognized in comprehensive income, but excluded from net income. This would include holding gains and losses from financial instruments classified as available-for-sale.

3. CHANGES IN ACCOUNTING POLICIES

The Company adopted the following new accounting standards issued by the CICA:

(a) Goodwill and Intangible Assets

Effective January 1, 2009, CICA Section 3064 replaced Section 3062 "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this section did not impact the Company's financial statements.

3. CHANGES IN ACCOUNTING POLICIES (continued)

(b) Fair Value Hierarchy Disclosures

Effective October 1, 2009, CICA Section 3862 "Financial Instruments – Disclosures" was amended to require disclosures about the relative inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are:

- i) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- ii) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities either directly or indirectly; and
- iii) Level 3 – Inputs that are not based on observable market data.

The effects of the adoption of this section have been disclosed in Note 14.

4. RECENT ACCOUNTING PRONOUNCEMENTS

(a) International Financial Reporting Standards ("IFRS")

In 2006, the 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 GAAP with 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 January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The Company is currently assessing the impact of the above new standards on its financial statements.

(b) Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combinations accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

The Company does not anticipate the adoption of the above standards will have a significant impact on the Company's consolidated financial statements.

FJORDLAND EXPLORATION INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2009 and 2008
Canadian Funds

5. MINERAL PROPERTIES

At December 31, 2009 and 2008, expenditures made on mineral properties by the Company are as follows:

	Woodjam South * BC.	Woodjam North BC.	QUEST BC.	Tak BC.	Other BC	Total
Balance, December 31, 2008	\$1,230,493	\$3,128,650	\$577,106	\$ -	\$ -	\$4,936,249
Additions during year:						
Acquisition costs	747	2,420	10,052	18,406	1,748	33,373
Exploration costs:						
Operator fees	(137)	-	(1,334)	-	-	(1,471)
Property	34,613	1,510	15,900	440	-	52,463
Permitting	-	960	-	440	-	1,400
Administration	7,540	2,320	2,357	760	-	12,977
Geology	47,523	1,227	22,022	16,581	1,350	88,703
Geophysics	2,742	-	6,000	-	-	8,742
Geochemistry	-	-	11,506	-	-	11,506
Data verification	20,154	2,319	4,965	320	-	27,758
Drilling	16,151	-	507	-	-	16,658
	128,586	8,336	61,923	18,541	1,350	218,736
Additions during year	129,333	10,756	71,975	36,947	3,098	252,109
Joint Venture recoveries	(11,316)	-	(17,751)	-	-	(29,067)
Option payments	-	(48,000)	-	-	-	(48,000)
Cost recoveries	(36,705)	(93,317)	(32,505)	-	-	(162,527)
Write-off	-	-	-	-	(803)	(803)
Balance, December 31, 2009	\$1,311,805	\$2,998,089	\$598,825	\$36,947	\$2,295	\$4,947,961

	Woodjam * BC	QUEST BC.	Total
Balance, December 31, 2007	\$2,943,458	\$241,449	\$3,184,907
Additions during year:			
Acquisition costs	42,316	43,671	85,987
Exploration costs:			
Operator fees	(21,844)	(11,564)	(33,408)
Property	39,417	13,628	53,045
Permitting	-	17,190	17,190
Administration	2,945	-	2,945
Geology	45,961	46,377	92,338
Geophysics	149,053	443,638	592,691
Data verification	9,645	11,132	20,777
Drilling	1,982,271	-	1,982,271
Grid establishment	175,761	-	175,761
	2,383,209	520,401	2,903,610
Additions during year	2,425,525	564,072	2,989,597
Joint Venture recoveries	(980,816)	(221,591)	(1,202,407)
Cost recoveries	(6,824)	(6,824)	(13,648)
Write-offs	(22,200)	-	(22,200)
Balance, December 31, 2008	\$4,359,143	\$577,106	\$4,936,249

* In July 2009, the Woodjam Joint Venture divided its Woodjam properties into the Woodjam North and Woodjam South properties.

5. MINERAL PROPERTIES (continued)

(a) Woodjam, B.C.

The Company holds a 60% interest in certain mineral claims located in central British Columbia.

Effective March 29, 2006, the Company entered into a joint venture agreement with Wildrose Resources Ltd. ("Wildrose") to fund future exploration and development expenditures on a Fjordland 60% - Wildrose 40% basis. During the 2006 fiscal year, Wildrose transferred its interest to Cariboo Rose Resources Ltd. ("Cariboo Rose"). The Company is the operator of the project and pursuant to the agreement will charge a 3% operator fee on exploration expenditures incurred to offset its' administrative costs. As at December 31, 2009, the Company had received advances from its joint venture partner of \$Nil (2008 - \$43,687).

On February 6, 2008, the Woodjam Joint Venture signed a letter agreement with an individual to acquire 100% interest in the Big-Moose Horn mineral property in central British Columbia. Under the terms of the letter agreement, the Woodjam Joint Venture partners must make a cash payment of \$2,500 (paid) and issue 30,000 shares of the Company (issued at a value of \$7,050) and 20,000 shares of Cariboo Rose.

On February 18, 2008, the Woodjam Joint Venture entered into an option agreement to acquire a 100% interest in certain mineral properties in central British Columbia. Under the terms of the option agreement, the Woodjam Joint Venture partners were to make optional cash payments totaling \$200,000 (\$25,000 paid) and issue, on an optional basis, a total of 180,000 shares of the Company (30,000 issued at a value of \$7,050) and 120,000 shares of Cariboo Rose by February 2012. The Joint Venture decided not to continue with the option agreement on this property and subsequently the Company wrote-off related costs of \$22,200 during fiscal 2008.

In July 2009, the Woodjam Joint Venture divided its Woodjam properties into the Woodjam North and Woodjam South properties.

Woodjam North, B.C.

On July 29, 2009, the Woodjam Joint Venture signed an Option and Joint Venture Exploration Agreement granting an option to Gold Fields Horsefly Exploration Corporation ("Gold Fields") to earn up to a 70% interest in the northern portion of the Woodjam property. Under the terms of the agreement, Gold Fields may earn an initial 51% interest by expending \$7,000,000 in exploration costs and making a cash payment of \$350,000 to the Woodjam Joint Venture over a three year period with a minimum expenditure of \$1,000,000 in the first year. Gold Fields may earn an additional 19% interest in the property by funding a further \$12,000,000 in exploration costs over a four year period.

5. MINERAL PROPERTIES (continued)

(b) QUEST, BC

By a Letter of Intent dated July 30, 2007, the Company agreed to enter into a 50% - 50% Joint Venture with Serengeti Resources Inc. ("Serengeti"), a company related by a director in common, to explore properties in the Quesnel Terrane (Prince George) area of British Columbia.

On February 21, 2008, the Company executed a joint venture agreement with Serengeti. The Company was the operator of the QUEST Joint Venture for 2008. The operatorship is to alternate on an annual basis dependent upon the interest held at the time and will earn an operator fee of 5% or 10% based on the magnitude of individual expenditures. In 2009, Serengeti took over as operator of the Joint Venture.

During the 2009 fiscal year, the Company decided not to participate in the joint venture exploration budget and accordingly, its' interest in the QUEST property is forecast to be diluted to an estimated 40% pending final accounting.

(c) Tak, BC

The Company acquired, by staking, a 100% interest in 8 properties located in central British Columbia, called the Tak properties. Pursuant to an agreement, the Company issued 20,000 shares with a value of \$1,400 towards acquisition of one of the properties.

(d) Other, BC

The Company acquired, by staking, a 100% interest in 3 properties located in central British Columbia. Of these three properties, the Company relinquished two and has written off \$803 in acquisition costs, net of recoveries.

(e) Olympic-Rob, Yukon

In 2006, the Company was granted an option to acquire a 60% interest in mineral claims located in Yukon, Canada from Commander Resources Ltd. ("Commander"), a company with a director in common at that time. In order to exercise the option, the Company, through to December 31, 2011, was required on an optional basis to issue an aggregate of 1,600,000 shares (350,000 issued), make aggregate cash payments of \$250,000 (\$50,000 paid) and incur aggregate exploration expenditures of \$7,000,000.

In December 2007, the Company relinquished its option on the property and had written-off \$792,561 of acquisition and exploration costs, net of recoveries.

The Company and Commander were in disagreement as to whether the Company had fulfilled certain requirements under the option agreement. In June 2009, the Company and Commander reached a settlement of the contract disagreement. Under the terms of the settlement the Company issued to Commander 1,000,000 units; each unit consists of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to purchase one common share at a price of \$0.16 until June 23, 2011. The shares issued as part of the unit had a value of \$80,000 and the warrants issued had a value of \$68,000, for a total value of \$148,000 expensed as contract settlement.

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6. EQUIPMENT

Details are as follows:

December 31, 2009	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	\$ 6,161	\$ 5,086	\$ 1,075
Office equipment	35,654	33,215	2,439
Leasehold improvements	10,171	9,325	846
	\$ 51,986	\$ 47,626	\$ 4,360

December 31, 2008	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	\$ 6,161	\$ 4,417	\$ 1,680
Office equipment	35,654	32,169	4,978
Leasehold improvements	10,171	7,630	2,541
	\$ 51,986	\$ 44,616	\$ 7,370

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Private Placements

- (i) In March 2009, the Company completed a non-brokered private placement for the issue of 2,054,000 flow-through common shares at \$0.07 per share. The Company issued 34,320 shares as finders' fees valued at \$2,402 and incurred additional share issue costs of \$62 in connection with the private placement.
- (ii) In June 2008, the Company completed a non-brokered private placement for the issue of 5,039,700 flow-through common shares at \$0.15 per share and 1,670,000 non flow-through units at \$0.15 per unit. Each unit consisted of one common share and one-half share purchase warrant. Each whole share purchase warrant entitled the holder to purchase one common share at a price of \$0.35 until June 9, 2009. The Company issued 290,776 shares in finders' fees valued at \$43,616 and incurred additional share issue cost in the amount of \$8,378 in connection with the private placement.
- (iii) In November 2008, the Company completed a non-brokered private placement for the issue of 3,334,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and one half share purchase warrant. Each whole share purchase warrant entitled the holder to purchase one common share at a price of \$0.10 until November 27, 2009. The Company incurred share issue costs of \$1,054 in connection with the private placement.

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7. SHARE CAPITAL (continued)

(c) Stock Options

Options to purchase common shares have been granted to directors, officers, employees and consultants at exercise prices determined by reference to the market value on the date of the grant.

On June 5, 2008, the Company received shareholder approval to grant up to 10,260,350 common shares under the Company's Stock Option Plan. Options granted under the plan vest as follows:

- (i) 25% on the date of the grant;
- (ii) 25% six months after the date of the grant;
- (iii) 25% twelve months after the date of the grant;
- (iv) 25% eighteen months after the date of the grant.

At December 31, 2009, the Company had stock options outstanding for the purchase of 8,140,000 common shares. Of this amount, options to purchase 6,827,500 (2008 - 5,300,000) common shares with a weighted average exercise price of \$0.17 (2008 - \$0.24) were fully vested and exercisable at December 31, 2009.

	2009		2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	6,600,000	\$0.22	5,010,000	\$0.23
Granted	2,625,000	\$0.10	2,600,000	\$0.15
Exercised	-	-	(800,000)	\$0.10
Cancelled	(1,085,000)	\$0.35	(210,000)	\$0.10
Outstanding at end of year	8,140,000	\$0.16	6,600,000	\$0.22

The following summarizes information about stock options outstanding at December 31, 2009:

Number of Shares	Expiry Date	Exercise Price
690,000	January 30, 2010	\$0.180
150,000	February 23, 2011	\$0.210
150,000	May 31, 2011	\$0.370
1,500,000	December 20, 2011	\$0.205
500,000	May 28, 2012	\$0.320
2,525,000	May 5, 2013	\$0.150
2,625,000	June 22, 2014	\$0.100
8,140,000		

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7. SHARE CAPITAL (continued)

(d) Stock-Based Compensation

During the year ended December 31, 2009 the Company granted stock options to employees, directors and consultants to acquire up to 2,625,000 common shares at an exercise price of \$0.10 per share (2008 - 2,600,000 common shares at an exercise price of \$0.15 per share).

The fair value of options granted during the year was \$223,270 (2008 - \$363,289). Total stock based compensation expense recognized for the options that vested during the year was \$342,722 (2008 - \$328,814). The fair value of unvested options outstanding at year end was \$62,922 (2008 - \$181,645). During the year ended December 31, 2009, the fair value of options exercised was \$Nil (2008 - \$39,561), which is reclassified from the option compensation account to share capital.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2009	2008
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	172%	160%
Risk-free interest rate	2.88%	2.88%
Expected life of options	5 years	5 years

The weighted average fair value of options granted during the year is \$0.09 (2008 - \$0.14) per option.

Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

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7. SHARE CAPITAL (continued)

(e) Warrants

At December 31, 2009 there was an aggregate of 1,835,000 share purchase warrants outstanding as follows:

Exercise Price	Expiry Date	Outstanding at December 31, 2008	Warrants Issued	Warrants Exercised	Warrants Expired	Outstanding at December 31, 2009
\$0.10	June 09, 2011*	835,000	-	-	-	835,000
\$0.10	November 27, 2009	1,667,000	-	(1,667,000)	-	-
\$0.16	June 23, 2011**	-	1,000,000	-	-	1,000,000
		2,502,000	1,000,000	(1,667,000)	-	1,835,000

At December 31, 2008 there was an aggregate of 2,502,000 share purchase warrants outstanding as follows:

Exercise Price	Expiry Date	Outstanding at December 31, 2007	Warrants Issued	Warrants Exercised	Warrants Expired	Outstanding at December 31, 2008
\$0.50	January 04, 2008	22,500	-	-	(22,500)	-
\$0.40	August 15, 2008	99,000	-	-	(99,000)	-
\$0.50	August 15, 2008	775,714	-	-	(775,714)	-
\$0.40	August 29, 2008	128,333	-	-	(128,333)	-
\$0.50	August 29, 2008	454,284	-	-	(454,284)	-
\$0.35	June 09, 2009	-	835,000	-	-	835,000
\$0.10	November 27, 2009	-	1,667,000	-	-	1,667,000
		1,479,831	2,502,000	-	(1,479,831)	2,502,000

* Warrants were re-priced and extended from June 9, 2009 at \$0.35 to June 9, 2011 at \$0.10. These warrants have a forced exercise provision whereby if the Company's stock price is \$0.13 for 10 consecutive trading days, the warrant holders will have 30 days to exercise the warrants; otherwise they will expire on the 31st day.

** The Company granted 1,000,000 warrants in relation to the settlement of the Olympic Rob contract dispute (Note 5(e)). The warrants were valued at \$68,000 or \$0.07 per warrant using the Black-Scholes option-pricing model with the following assumptions:

	2009
Risk-free interest rate	0.28%
Expected dividend yield	-
Expected stock price volatility	175%
Expected warrant life in years	2.00

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8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company had non-cash transactions as follows:

	2009	2008
Significant non-cash investing and financing activities:		
Investing activities		
Resource expenditures included in accounts payable at year end	\$ 3,910	\$ -
Exploration partner recoveries included in receivables at year end	2,898	144,842
Exploration partner advances applied to mineral property recoveries	-	43,687
Exploration advances applied to mineral property costs	-	58,385
Financing activities		
Shares issued for resource properties	\$ 1,400	\$ 14,100
Shares issued as finder's fees	2,402	43,616
Fair value of options exercised	-	39,561
Other cash flow information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. These budgets require approval by the Board of Directors.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

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10. RELATED PARTY TRANSACTIONS

Transactions and balances with related parties are as follows:

- (a) The Company incurred geological consulting fees of \$Nil (2008 - \$5,000) charged by a director. The Company also incurred accounting fees of \$33,500 (2008 - \$45,000) charged by a business owned by a spouse of a director.
- (b) Included in receivables is \$4,744 (2008 - \$18,382) due from companies with a director in common and included in accounts payable is \$1,250 (2008 - \$Nil) owed to a company with a director in common.
- (c) The Company incurred administrative and corporate secretary fees of \$30,000 (2007 - \$30,000) charged by an officer.

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

11. SEGMENTED INFORMATION

The Company operates in one segment, being the exploration of mineral properties. All of the Company's assets and operations are located in Canada.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2009	2008
Loss before income taxes	\$ (803,508)	\$ (713,358)
Expected income tax recovery	(241,052)	(221,141)
Non-deductible items	108,729	111,370
Deductible items	(11,086)	(11,455)
Unrecognized benefit of non-capital losses	(45,591)	(61,001)
Future income tax recovery	\$ (189,000)	\$ (182,227)

Future income tax assets reflect the net effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's future tax assets are as follows:

	2009	2008
Non-capital loss carry-forwards	\$ 537,000	\$ 597,000
Mineral property exploration expenditures	759,000	939,000
Equipment	14,000	14,000
Share issuance costs	18,000	28,000
	1,328,000	1,578,000
Valuation allowance	(1,328,000)	(1,578,000)
	\$ -	\$ -

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12. INCOME TAXES (continued)

The Company has available for deduction against future taxable income non-capital losses of approximately \$2,150,000. The Company's non-capital loss carry-forwards expire through 2029. Subject to certain restrictions, the Company also has resource expenditures available to reduce taxable income in future years. Future tax benefits which may arise as a result of these non-capital losses and resource deductions have not been recognized in these financial statements and have been offset by a valuation allowance.

During the current fiscal year, the Company renounced \$755,955 (2008 - \$560,700) of its mineral expenditures to flow-through shareholders. The resultant loss of future income tax assets, which is treated as a cost of issuing flow-through shares gives rise to a future income tax liability of \$189,000 (2008 - \$182,227). This liability has been offset by the Company's recognition of future income tax assets that had been previously offset by a valuation allowance which resulted in a future income tax recovery of \$189,000 (2008 - \$182,227). As at December 31, 2009, the amount of flow-through proceeds remaining to be expended is \$Nil (2008 - \$Nil).

13. COMMITMENTS

In 2004, the Company entered into a six-year lease agreement for office premises effective July 1, 2004. Minimum future annual lease payments based on basic rent charges are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2010	7,408
	<u>\$ 7,408</u>

In addition to basic rent, the Company is also subject to its proportionate share of taxes and operating costs.

14. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, deposits for reclamation, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value, unless otherwise noted. Cash, which is carried at fair value, is measured using level 1 inputs.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in major Canadian financial institutions. The Company's receivables consist mainly of GST receivables due from the Federal Government of Canada and a balance due relating to mineral property recoveries. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

14. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash and cash equivalent holdings. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

Foreign Exchange Risk

The Company is not exposed to significant foreign exchange risk as it operates in Canada and does not undertake any significant foreign currency transactions.

15. SUBSEQUENT EVENTS

The Company granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants to purchase an aggregate of 1,140,000 common shares. The options are exercisable for a period of five years at a price of \$0.12 per share.

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Form 51-102F1

Description of Business

Fjordland Exploration Inc. (“the Company”) is an exploration stage company engaged in the acquisition and exploration of prospective copper, gold and molybdenum properties primarily in Canada. The Company trades as a Tier Two company on the TSX Venture Exchange (“Exchange”) under the symbol “FEX” and is a reporting issuer in British Columbia and Alberta. The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the consolidated financial statements and the notes thereto for the year ended December 31, 2009.

Forward-Looking Statements

This Management’s Discussion and Analysis (“MD&A”) may contain forward-looking statements that involve risks and uncertainties. Forward-looking statements in this MD&A are only made as of April 20, 2010 (the “Report Date”). These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward looking statements.

Factors that could cause actual results to differ materially from these forward-looking statements include market prices, exploration success, and continued availability of capital and general economic, market or business conditions.

This list is not exhaustive and these and other factors should be considered carefully; readers should not place undue reliance on the Company’s forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The Company disclaims any intention and assumes no obligation to update any forward-looking statement contained in this document, even if new information becomes available, as a result of future events or for any other reason.

Thomas G. Schroeter, P.Eng. P.Geo. and L. John Peters, P.Geo. are the Company’s qualified persons reviewing the exploration projects described throughout the MD&A. They are responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

Company Overview and Projects

(a) Highlights for the Year Ended December 31, 2009

On March 25, 2009, the Company completed a non-brokered private placement for the issue of 2,054,000 flow-through shares at a price of \$0.07 per share for gross proceeds of \$143,780.

On June 3, 2009, the Company and Commander Resources Ltd. (“Commander”) reached a settlement of a contract dispute on the Olympic-Rob property. Under terms of the settlement the Company issued to Commander 1,000,000 units, each unit consisting of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to purchase one common share at a price of \$0.16 until June 23, 2011.

On June 9, 2009, the Company extended the expiry date of 835,000 outstanding warrants to June 9, 2011. The warrants were repriced from \$0.35 to \$0.10 and were subject to a 30 day exercise period should the closing price of the shares of the Company exceed \$0.13 for ten consecutive trading days.

On June 22, 2009, the Company granted incentive stock options under the Company’s stock option plan to directors, officers, employees and consultants to purchase an aggregate of 2,625,000 common shares. The options are exercisable for a period of five years at a price of \$0.10 per share.

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On July 29, 2009, the Company and Cariboo Rose Resources Ltd, the Woodjam Joint Venture Partners, signed an Option and Joint Venture Exploration Agreement with Gold Fields Horsefly Exploration ("Gold Fields"), on the Woodjam North property.

Warrants dated November 27, 2009 were exercised at \$0.10 for proceeds of \$166,700.

In 2009, the Company acquired, by staking, a 100% interest in seven properties, totaling over 40,000 hectares in the Cariboo region of central British Columbia.

During 2009, Gold Fields completed a \$1.8 million, Phase One exploration program on the Woodjam North property as detailed in (c) below.

On December 2, 2009, the Woodjam Joint Venture received an Earn-in Proposal for the Woodjam South property from a major international mining corporation. On December 3, 2009, the Proposal was forwarded to Gold Fields for its response, relating to its right of first refusal ("ROFR") under the terms of the agreement on the Woodjam North property.

(b) Events Subsequent to December 31, 2009

On January 6, 2010, Gold Fields advised the Woodjam Joint Venture Partners that it was exercising its ROFR on the Earn-In proposal dated December 2, 2009. (Refer to above)

On January 22, 2010, Gold Fields submitted to the Woodjam Joint Venture a draft agreement relating to the Woodjam South property. Negotiations continue towards the signing of a definitive Option and Joint Venture Exploration Agreement.

On February 10, 2010, Gold Fields resumed a Phase Two drilling program on the Woodjam North property.

In February the Company, acquired by staking, additional claims in the Cariboo Region bringing the total to 8 properties aggregating 45,000 hectares.

On March 31, 2010, the Company granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants to purchase an aggregate of 1,140,000 common shares. The options are exercisable for a period of five years at a price of \$0.12 per share.

(c) Woodjam North, British Columbia

Effective March 29, 2006, the Company entered into a joint venture agreement ("Woodjam Joint Venture") with Cariboo Rose Resources Ltd. ("Cariboo Rose") to fund future exploration and development expenditures on a Fjordland 60% - Cariboo Rose 40% basis. The Company is operator of the project.

During the latter part of 2008 and early part of 2009, the Company continued to seek a third party to join the Woodjam Joint Venture in return for certain funding requirements. Several Confidentiality Agreements were signed with major mining companies.

On June 3, 2009, the Woodjam Joint Venture announced that it had signed a Letter Agreement granting an option to a member of the Gold Fields group of companies, to earn up to a 70% interest in the northern portion of the Woodjam property, referred to as "Woodjam North". The Woodjam North property includes the Megabuck, Takom and Deerhorn zones and a large tract of claims to the north, east and west of those targets (in total an area of 40,750 hectares). The option excludes the Southeast copper-gold-molybdenum zone discovered in 2008, as well as contiguous claims to the south and southwest (in total an area of 13,807 hectares).

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Gold Fields may earn an initial 51% interest in Woodjam North by expending \$7 million in exploration, and making \$350,000 in cash payments to the Woodjam Joint Venture, over a three year period with a minimum expenditure of \$1 million in the first year. Gold Fields may extend the option to earn a further 19% interest in the Woodjam North property by funding a further \$12 million in exploration over a 4-year period.

In July 2009, the Woodjam Joint Venture divided its Woodjam property into two components – Woodjam North and Woodjam South.

On July 29, 2009 the Woodjam Joint Venture reported that it had signed a definitive Option and Joint Venture Exploration Agreement with Gold Fields Horsefly Exploration Corp., a British Columbia incorporated affiliate of the Gold Fields group of companies. The Company received an initial option payment of \$48,000 cash as outlined in the Agreement.

Between July and mid-December, 2009, Gold Fields incurred approximately \$1.8 million in exploration expenditures. Work completed included: geological mapping and core relogging, soil geochemical surveys (4,250 samples), a 9,144 line-kilometre low-level, high resolution airborne magnetometer survey, an 85 line-kilometre induced polarization survey, a ground gravity survey at 250 metre stations, and drilling of 4,582 metres in 14 holes. Eleven holes totaling 3,590 metres were drilled on the northeasterly portion of the 3 km by 2 km Takom geophysical anomaly, and three holes totaling 993 metres on the Deerhorn Zone. A summary of results is provided in the following table:

Deerhorn Zone:

Hole ID*	From (m)*	To (m)*	Int. (m)*	Cu%	Au g/t	Au Eq g/t*
DH09-001	88.84	358.14 (eoh)	269.30	0.13	0.02	0.25
including	88.84	162.00	73.16	0.24	0.04	0.47
DH09-002	NSR					
DH09-003	40.73	254.50 (eoh)	213.80	0.12	0.50	0.72
including	165.00	254.00	89.50	0.26	1.16	1.63

Takom Zone:

Hole ID*	From (m)*	To (m)*	Int. (m)*	Cu%	Au g/t	Au Eq g/t*
TK09-001	6.20	341.90 (eoh)	335.79	0.24	0.27	0.70
including	6.20	215.00	208.80	0.35	0.40	1.03
including	114.00	215.00	101.00	0.43	0.58	1.35
TK09-002	NSR					
TK09-003	8.70	254.51 (eoh)	245.81	0.11	0.05	0.25
including	8.70	96.00	87.30	0.16	0.07	0.36
including	46.00	180.00	36.00	0.15	0.08	0.35
TK09-004	13.72	30.00	16.28	0.16	0.19	0.48
TK09-005	108.00	179.00	71.00	0.14	0.03	0.28
TK09-006	31.00	359.00	29.88	0.14	0.02	0.27
TK09-007	NSR					
TK09-008	33.53	124.00	90.47	0.22	0.11	0.51
TK09-009	NSR					
TK09-010	184.00	263.00	79.80	0.20	0.13	0.49
TK09-011	NSR					

*(intervals are core lengths; DH = Deerhorn Zone; TK = Takom Zone; NSR = no significant results; eoh = end of hole; Au Equivalent (AuEq) was calculated using US\$950/oz gold, US\$2.50/lb copper. The calculation to derive AuEq = ((%Cu x 22 x price Cu/lb) / (price Au/oz x 0.03215)) + Au g/t. Metallurgical recoveries and net smelter returns are assumed to be 100%.

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On February 10, 2010, Gold Fields resumed Phase Two drilling at Woodjam North. It plans to complete approximately 7,000 metres of drilling in approximately 25 holes, testing the Takom, and Deerhorn zones, and a previously untested area to the east of the Megabuck and north of the Southeast zones – an area referred to as Spellbound.

d) Woodjam South, British Columbia

In 2009, an airborne magnetic survey was completed over the entire Woodjam South property as an extension of the survey being conducted by Gold Fields on the Woodjam North property.

In 2009, the Company compiled data from three major drilling programs completed in 2008 and the Company continued discussions with Third Party interests regarding a possible option of the property.

On December 2, 2009, the Woodjam Joint Venture received an Earn-in Proposal for the Woodjam South property from a major international mining corporation. On December 3, 2009, the Proposal was forwarded to Gold Fields for its decision, relating to its right of first refusal under the terms of the agreement on the Woodjam North property.

On January 6, 2010, Gold Fields formally advised the Woodjam Joint Venture Partners that it had accepted the non-binding proposal as presented by the Third Party dated December 2, 2009.

On January 22, 2010, Gold Fields submitted to the Woodjam Joint Venture a draft agreement relating to the Woodjam South property. Negotiations continue towards the signing of a definitive Option and Joint Venture Exploration Agreement.

(e) Tak Properties, British Columbia

Between September 2009 and March 2010, the Company acquired by staking, a 100% interest in eight properties, totaling over 45,000 hectares, located in the Cariboo region of central British Columbia, believed by the Company geologists to be prospective for the discovery of copper-gold, porphyry-type deposits. The Company is exploring its options for follow-up work on these properties.

(i) Moffat

In September 2009, the Company acquired, by staking, a 100% interest in eleven new claims totaling 4,548 hectares (Moffat Property), about 30 kilometres south of Horsefly in central British Columbia. The property adjoins part of the Woodjam Joint Venture's Woodjam South property to the south, and lies approximately 6 kilometres south of the Southeast Zone discovered in 2008.

The Moffat property includes the Harrison Creek occurrence, which was discovered by the BC Geological Survey Branch (GSB) during its 2008 mapping program. The occurrence comprises pyrite, chalcopyrite, magnetite and malachite within and along quartz-epidote-potash feldspar veins that cut monzodiorite. A grab sample of this mineralized vein material, taken by the GSB, returned 1671 parts per million copper, 1432 parts per million silver and 105 parts per billion gold. During a property visit in early September 2009, Company geologists noted areas of extensive recent logging activities that had exposed numerous new outcrops of a similar geological nature as described above.

(ii) Tisdall

In 2009 and early 2010, the Company acquired a 100% interest in seventeen new claims totaling 6,673 hectares, about 30 kilometres east of Horsefly in central British Columbia. The property lies within a few kilometres of the most southeastern boundary of the Woodjam North Property. The claims are underlain by airborne magnetic anomalies outlined by previous government surveys; and the target is porphyry-related gold-copper-molybdenum deposits.

(iii) Hazel

In 2009, the Company acquired by staking a 100% interest in fourteen new claims totaling 3,332 hectares about 25 kilometres northwest of Horsefly in central British Columbia. The property includes two claims within the boundary of Imperial Metals' Mount Polley gold-copper mine property package and one claim adjoining it on the west side; the target is porphyry-related gold-copper-molybdenum deposits.

(iv) Coffee

In 2009, the Company acquired by staking a 100% interest in twenty-one new claims totaling 9,224 hectares about 40 kilometres southeast of Horsefly in central British Columbia. The claims are underlain by airborne magnetic anomalies outlined by previous government surveys; the target is porphyry-related gold-copper-molybdenum deposits.

(v) Boss

Between December 2009 and January 2010, the Company acquired, by staking, a 100% interest in twelve claims totaling 3,895 hectares, about 10 kilometres southeast of the past-producing Boss Mountain molybdenum mine. The claims are shown on government maps as being underlain by the Takomkane batholith; a large airborne magnetic anomaly covers the property; the target is porphyry-related gold-copper-molybdenum deposits.

(vi) LaHache

In December, 2009, the Company acquired by staking a 100% interest in twenty one claims totaling 10,060 hectares, about 20 kilometres south of the Woodjam South Property. Several airborne magnetic anomalies occur over the property, and the Timothy Creek polymetallic prospect is part of the property; the target is porphyry-related gold-copper-molybdenum deposits.

(vii) Canim

In December, 2009, the Company acquired by staking a 100% interest in seven claims totaling 3,387 hectares, about 30 kilometres southeast of the Woodjam South Property. The claims are shown on government maps as being underlain by the Takomkane batholith; a large airborne magnetic anomaly covers the property; the target is porphyry-related gold-copper-molybdenum deposits.

(viii) Howard Lake

In February 2010, the Company acquired by staking a 100% interest in eight claims totaling 3,982 hectares, on the south side of Canim Lake, northeast of the town of 100 Mile House. The claims are shown on government maps as being underlain by volcanic and intrusive rocks, and airborne magnetic anomalies cover the property; the target is porphyry-related gold-copper-molybdenum deposits.

(f) QUEST, British Columbia

On July 30, 2007, the Company entered into a letter agreement with Serengeti Resources Inc. ("Serengeti") to explore an 81 square kilometre copper/gold exploration property (Tezz), located 40 kilometres south of Prince George, BC. in order to further explore and develop copper-gold targets. On July 30, 2007, the Company and Serengeti signed a Letter of Intent ("LOI") to enter into a 50%-50% Joint Venture to pool eleven properties located in central British Columbia into the QUEST Joint Venture ("QJV") project. The QJV then subsequently acquired approximately 60,000 hectares of new claims between Williams Lake to the south and Mt. Milligan to the north. During the period 2007 and 2008, the QJV conducted airborne magnetic surveys on sixteen of them and reconnaissance induced polarization surveys over eleven.

On January 1, 2009, according to the terms of the JV Agreement, Serengeti became the Operator of the QJV for 2009. The 2009 summer program was tabled by Serengeti on May 4, 2009. The Company elected not to participate in this program but maintained the right to participate in future programs. Consequently, the Company's interest in the QJV is forecast to be diluted to an estimated 40% pending final accounting. In July, 2009, the QJV holdings were reduced to eleven individual properties, seven of which cover significant IP geophysical anomalies that warrant follow-up work, including drilling.

In mid-October 2009, the QJV completed a three hole (790m) drilling program on the Mil gold-copper property, comprising 13,900 hectares and located 25 kilometres southwest of the Mt. Milligan copper-gold deposit. A large residual aeromagnetic anomaly measuring ten by five kilometres in diameter had been outlined by previous government surveys. Within this area, the QJV outlined attractive induced polarization (IP) chargeability and resistivity anomalies over an area measuring one and a half by one kilometre, coincident with a previously identified glacial till gold anomaly (up to 2300 parts per billion). The IP anomaly flanks a prominent magnetic high. The first two holes drilled into this anomaly did not encounter significant amounts of copper or gold mineralization. The third hole in the program, located three kilometres to the northwest of the area described above and identified in the course of the 2009 exploration program, encountered increased copper values over the bottom 50 metres, with the best interval assaying 0.11% Cu over the last eight metres.

(g) Olympic-Rob, Yukon Territory

On June 3, 2009, the Company and Commander reached a settlement in respect to a contract disagreement. Under the terms of the settlement the Company issued 1,000,000 units; each unit consists of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to purchase one common share at a price of \$0.16 until June 23, 2011.

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Mineral Property Expenditures Table

	Woodjam South BC.	Woodjam North BC.	QUEST BC.	Tak BC.	Other BC	Total
Balance, December 31, 2008	\$1,230,493	\$3,128,650	\$577,106	\$ -	\$ -	\$4,936,249
Additions during year:						
Acquisition costs	747	2,420	10,052	18,406	1,748	33,373
Exploration costs:						
Operator fees	(137)	-	(1,334)	-	-	(1,471)
Property	34,613	1,510	15,900	440	-	52,463
Permitting	-	960	-	440	-	1,400
Administration	7,540	2,320	2,357	760	-	12,977
Geology	47,523	1,227	22,022	16,581	1,350	88,703
Geophysics	2,742	-	6,000	-	-	8,742
Geochemistry	-	-	11,506	-	-	11,506
Data verification	20,154	2,319	4,965	320	-	27,758
Drilling	16,151	-	507	-	-	16,658
	128,586	8,336	61,923	18,541	1,350	218,736
Additions during year	129,333	10,756	71,975	36,947	3,098	252,109
Joint Venture recoveries	(11,316)	-	(17,751)	-	-	(29,067)
Option payments	-	(48,000)	-	-	-	(48,000)
Cost recoveries	(36,705)	(93,317)	(32,505)	-	-	(162,527)
Write-off	-	-	-	-	(803)	(803)
Balance, December 31, 2009	\$1,311,805	\$2,998,089	\$598,825	\$36,947	\$2,295	\$4,947,961

Selected Annual Information

Selected annual information from the Company's audited consolidated financial statements for the years ended December 31, 2009, 2008 and 2007.

	2009 (\$)	2008 (\$)	2007 (\$)
General and administration expenses	(643,620)	(724,780)	(630,949)
Loss for the year	(614,508)	(531,131)	(812,206)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)
Cash dividends per share	Nil	Nil	Nil
Other comprehensive income (loss)	Nil	Nil	Nil
Assets	5,294,968	5,292,415	4,496,710
Long-term liabilities	Nil	Nil	Nil

Results of Operations

(a) Current quarter

The Company's cash position increased from \$83,468 to \$297,052. The largest use of cash was for mineral property acquisitions and exploration cash expenditures.

The Company received \$166,700 from the exercise of warrants dated November 27, 2009.

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The Company's \$57,903 in mineral property acquisition and exploration costs was funded by \$41,097 in cash exploration funds. At December 31, 2009, the Company has expended the remaining flow-through from the non-brokered private placement completed in March 2009.

(b) Year Ended December 31, 2009

Results of operations for the year ended December 31, 2009 are discussed in comparison with the year ended December 31, 2008. General and administrative expenses of \$643,620 (2008 - \$724,780) represents an \$81,160 decrease compared to the comparative fiscal year. Notable changes include:

Total stock-based compensation on options granted, and vested during the year ended December 31, 2009, resulted in \$342,722 (2008 - \$328,814) being expensed. Stock-based compensation is a non-cash transaction.

Accounting and audit expenditures were \$72,528 (2008 - \$87,246).

Investor relations and promotion expense was \$65,507 (2008 - \$114,652) which reflects a reduced presence at conferences and trade shows. A breakdown is provided below:

	December 31, 2009	December 31, 2008
Administration	\$ 6,711	\$ 6,396
Conferences	11,007	46,900
Consulting	36,000	36,000
Promotion	6,408	8,553
Media	5,381	16,803
	<u>\$ 65,507</u>	<u>\$ 114,652</u>

Consulting fees of \$3,600 (2008 - \$12,000) represents a decrease of \$8,400 from 2008. These consulting fees are allocated as to time spent on administration.

Administration fees of \$36,357 (2008 - \$43,749) represents a decrease of \$7,392 from 2008.

Wages and benefits of \$36,560 (2008 - \$52,825) are allocated as to time spent on exploration.

Future income tax recovery of \$189,000 (2008 - \$182,228) was recorded due to the renouncement of exploration expenditures to investors who purchased flow-through shares. The Company renounced \$755,955 in flow-through financings compared to \$560,700 in 2008. This is a non-cash transaction.

The Company's net loss for the year was \$614,508 (2008 - \$531,131) or \$0.01 per share (2008 - \$0.01) which is not reflective of the operating deficit, due to the future income tax recovery noted above.

Exploration expenditures during the year ended December 31, 2009 were \$252,109 (2008 - \$2,989,597), which consisted of \$33,375 (2008 - \$85,987) in acquisition costs and \$218,734 (2008 - \$2,903,610) in exploration costs.

During the year, the Company incurred cash option payments of \$48,000 (2008 - \$27,500), issued 20,000 shares (2008 - 60,000) valued at \$1,400 (2008 - \$14,100) and had cost recoveries of \$191,594 (2008 - \$1,216,055).

During the year ended December 31, 2009, the Company wrote down \$803 (2008 - \$22,200) in acquisition and exploration costs.

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Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the nine months ending on December 31, 2009 are summarized in the table below:

Financial Data for Last Eight Quarters								
Three months ended	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09
Mineral Exploration net of recoveries	642,872	864,403	912,574	669,748	73,933	58,301	61,972	57,903
General and administration	(106,329)	(300,762)	(82,784)	(234,905)	(72,770)	(215,777)	(55,808)	(299,265)
Stock-based compensation	00	200,683	00	128,131	00	144,108	00	198,614
Net income (loss)	74,985	(299,684)	(79,974)	(226,458)	161,676	(408,611)	(60,679)	(306,894)
Income (loss) per share - basic	0.00	(0.01)	(0.01)	(0.01)	0.00	(0.01)	(0.00)	(0.01)
Weighted average common shares outstanding - basic	51,256,299	52,994,217	58,404,444	55,767,133	62,645,102	62,956,213	65,524,807	64,811,489

The summary of quarterly results are from the Company's financial statement which are prepared in accordance with Canadian generally accepted accounting principles and denoted in the currency of Canada.

General and administration expenses for the year 2009 decreased largely to a decrease in shareholders' information and a general overall reduction in expenditures. Stock-based compensation is a method used by junior exploration companies to compensate staff and directors. The Company has moving to graded vesting whereby a greater portion of expense is recorded in the first and second vesting periods compared to distributing the expense equally over all vesting periods

The Company is in the exploration stage and does not have operating cash flow. Earnings per share are anomalous and reflect adjustments to future income tax. The Company renounced exploration expenditures under its flow-through share program, resulting in future income tax recovery of 189,000 (2008 - \$182,227).

Liquidity

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The current financial crisis impacts credit and liquidity risk:

- liquidity risk increases, as other things being equal, the price of an asset will be reduced if the holder cannot sell the asset immediately;
- credit risk increases, as service providers may not always be able to perform in accordance with the terms of a contract. To help mitigate this risk with contracts that require large advances, the Company may be required to place funds in-trust, to be released on completion of the contract.

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

As at December 31, 2009, the Company had a cash position of \$297,052 and working capital of \$276,280 compared to a cash position of \$129,152 and working capital of \$289,450 at December 31, 2008.

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Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

Capital Management

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is unable to finance its operations from cash flow and has relied primarily on equity financings to meet its capital requirements.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

Financing Activities

In March 2009, the Company completed a non-brokered private placement for the issue of 2,054,000 flow-through common shares at \$0.07 per share. The Company issued 34,320 shares in finders' fees valued at \$2,402 and incurred additional share issue costs in the amount of \$62 in connection with the private placement.

The Company received \$166,700 from the exercise of 1,667,000 warrants.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet financial arrangements.

Related Party Transactions

The Company has engaged a business owned by Janice Davies, an officer of the Company, to provide corporate secretarial services. During the year, the Company paid fees to this related party in the aggregate of \$30,000 (2008 - \$30,000).

The Company incurred administrative and geological consulting fees of \$Nil (2008 - \$5,000) to Victor Tanaka, a director of the Company.

The Company has engaged a business owned by Patricia Tanaka, a relative of a director, to provide accounting and bookkeeping services. During the year, the Company paid fees to this related party in the aggregate of \$33,500 (2008 - \$45,000).

Included in receivables is \$4,744 (2008 - \$18,382) due from a company with a director in common and included in accounts payable is \$1,250 (2008 - \$Nil) owed to a company with a director in common.

Proposed Transactions

None

Changes in Accounting Policies

The Company adopted the following new accounting standard issued by the CICA.

Goodwill and Intangible Assets

Effective January 1, 2009, CICA Section 3064 replaces Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The adoption of this section did not impact the Company.

New Accounting Pronouncements

A summary of new Canadian GAAP pronouncements which may affect the financial disclosure and results of operations of the Company for future interim and annual periods follows:

Business Combinations, Non controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

The Company does not anticipate the adoption of the above standards will have a significant impact on the Company's consolidated financial statements.

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board 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 January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has adopted a three phase approach to IFRS consisting of:

- Phase 1 'Preliminary Planning and Scoping';
- Phase 2 'Detailed Impact and Assessment': and
- Phase 3 'Implementation'.

The Company has completed Phase 1. Work on Phase 2 will carry on throughout 2010.

The Canadian Accounting Standards Board ("AcSB") has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's consolidated financial statements can only be measured along with the required disclosure, once all the IFRS accounting standards at the conversion date are known.

Generally, disclosure requirements under IFRS contain more breadth and depth than those required under Canadian GAAP and will result in more extensive financial statement notes.

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Set out below are the most significant areas, management has identified to date, where changes in accounting policies may have the potential impact on the Company's consolidated financial statements.

- Stock-based compensation:

IFRS and Canadian GAAP largely converge on the accounting treatment for share based transaction with only a few differences. Starting in 2010, the Company is moving from 'straight line' to 'graded' vesting for the recognition of stock-based compensation expense.

- Mineral properties:

Under IFRS 6, a mining entity has to determine an accounting policy specifying which expenditures on exploration and evaluation activities will be recorded as assets then apply that policy consistently. It is anticipated the Company will elect under the provisions in IFRS to continue the accounting practice of capitalizing all costs related to investments in mineral property interests on a property-by-property basis.

- Flow through shares:

IFRS does not address the accounting treatment for flow-through shares, as it is specific to Canada. Currently, there is no definitive guidance, but it is anticipated that flow-through shares will be treated as compound financial instruments, and accordingly, will give rise to retrospective adjustments as of January 1, 2010.

Financial Instruments and other Instruments

The Company's financial assets consist of cash and deposits for reclamation, receivables and accounts payable. No amounts are invested other than in chartered bank term deposits. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. The carrying value of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

Certification of Interim Filing

The Company adopted BC Securities Commission 52-511 "Relief for Venture Issuers from Certification Requirements." The relief helps small size companies like ours, where there is a lack of segregation of duties which is an ongoing internal control weakness. The Company mitigates this risk through direct involvement of senior management in day to day operations.

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Other MD&A Requirements

Additional information relating to the Company is available on SEDAR at www.sedar.com.

As of the Report Date, the Company had 67,211,590 issued common shares outstanding and the following unexercised stock options and warrants:

Stock Options

Expiry Date	Exercise Price	Number of Shares
February 23, 2011	\$0.21	150,000
May 31, 2011	\$0.37	150,000
December 20, 2011	\$0.205	1,500,000
May 28, 2012	\$0.32	500,000
May 5, 2013	\$0.15	2,525,000
June 22, 2014	\$0.10	2,625,000
March 31, 2015	\$0.12	1,140,000
		8,590,000

Warrants

Expiry Date	Exercise Price	Number of Shares
June 9, 2011*	\$0.10	835,000
June 23, 2011	\$0.16	1,000,000
		1,835,000

*Warrants were re-priced and extended for an additional two years from June 9, 2009 at \$0.35 to June 9, 2011 at \$0.10.

Outlook

Fjordland will continue to seek out and review projects that exhibit potential to host large mineral deposits containing commodities with strong prospects to increase value. The Company looks forward to continuing to expand its holdings as well as success in exploring and developing its properties.

CORPORATE INFORMATION

DIRECTORS AND OFFICERS

Thomas G. Schroeter, P.Eng., P.Geo.
President, C.E.O and Director

G. Ross McDonald, C.A.
C.F.O. and Director

Richard C. Atkinson, P.Eng.
Director

Peter Krag-Hansen
Director

Victor A. Tanaka, P.Geo.
Director

Janice Davies
Corporate Secretary

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LEGAL COUNSEL AND REGISTERED OFFICE

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Barristers & Solicitors
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REGISTRAR AND TRANSFER AGENT

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3rd Floor, 510 Burrard Street
Vancouver, British Columbia V6C 3B9

SHARE LISTING

TSX Venture Exchange
Symbol: FEX

CAPITALIZATION AT DECEMBER 31, 2009

Shares Authorized: Unlimited
Shares Issued and Outstanding 67,211,590