RANDSBURG INTERNATIONAL GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2004

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and related notes for the three month period ended October 31, 2004. All dollar amounts are stated in Canadian funds. This discussion is based on information available as at December 22, 2004.

Overview

During the period under review, the Company continued to explore its Titan project in Flett and Angus Townships in Ontario.

Flett and Angus Townships, Ontario

On March 16, 2004 the Company announced the acquisition of 17 patented mining claims in Flett and Angus Townships, Ontario. The patents comprise approximately 180 hectares (450 acres) and are contiguous to Randsburg's 100% owned Flett nickel-copper-cobalt-platinum group metals project which comprises 13 claims totaling 2,880 hectares (7,200 acres). Flett and Angus Townships are located 120 kilometres northeast of Sudbury, Ontario.

Consideration for acquisition of the claims included the payment of 150,000 common shares of Randsburg to the vendor and a 3-per-cent net smelter royalty which can be purchased by the Company at any time for $1.5-million.

The acquired patents cover what was known as the Titan iron mine. The property is reported as having several showings of iron and titanium. One sample from the property was reported as assaying 43.6 per cent iron and 21.9 per cent titanium dioxide.

In May 2004 the Company commenced Stage 1 drilling on its properties located in Flett and Angus Townships, Ontario. To date, the Company has incurred exploration expenditures of $527,546 for geophysical surveys, field expenses, drilling and assays on this property, with $50,503 of this amount having been spent during the three month period ended October 31, 2004.

On July 27, 2004 the Company announced major drill intersections of iron and titanium from two holes drilled during Stage 1 drilling at its Flett claims. The two holes were drilled into an anomalous zone on the eastern portion of the property. The zone is a strong two-kilometre diameter magnetic anomaly and the central portion is a 300 metre electromagnetic (EM) anomaly which was defined by a recently completed helicopter Time Domain Electromagnetic and Magnetic geophysics survey.

Drill hole number RA 1-04 in Angus Township was drilled on the southern portion of the EM anomaly. The hole was drilled towards the west (270 degrees) at -45 degrees dip and was lost at a depth of 170 metres (557 feet) because of a broken drill bit. The hole ended in mineralization.

The titanium dioxide (TiO_2) content for the entire length of the hole from surface to 170 metres averages 13.37%. The TiO_2 assays range from 2.23% to 20.8 %.

The iron oxide (Fe_2O_3) content averages 44.48%. The Fe_2O_3 content ranges between 17.8% to 61.7%. The iron (Fe) content averages 31.09% ranging from 12.5 to 43.2%.

RA 2-04 was drilled to a depth of 261 metres (857 feet) at a dip of -60 degrees at a distance of 100 metres due north of drill hole RA 1-04. It was drilled due east (90 degrees). The hole was mineralized from surface and ended in mineralization. The true depth of the hole is approximately 200 metres.

At the time of the press release only assays from 44.8 metre (147 feet) to 201.5 metres (661 feet) were available. The titanium dioxide (TiO_2) content from the available intervals above averaged 11.54%. The TiO_2 assays ranges from 5.92% to 19.05%. The iron oxide (Fe_2O_3) content averages 40.04%. The Fe_2O_3 content ranges between 24.1% to 57.8%. The iron (Fe) content averages 28.05%, ranging from 16.85% to 40.4%.

In September, 2004 the Company announced assays from the missing intervals that confirm consistent mineralization of iron and titanium from surface to end of hole.

Assays from the interval areas are as follows:

Drill Hole	Intersection (metres)	Thickness (metres)	Fe%	Fe_2O_3%	TiO_2%
RA 2-04	0 to 44.8	44.8	28.79	41.16	12.10
	201.5 to 261	59.5	25.07	35.84	9.64
Total Hole	0 to 261	261	27.42	39.20	11.16
Total Hole Range			12.4 to 40.4	17.7 to 57.8	2.79 to 19.05
RA 1-04	0 to 170	170	31.09	44.48	13.37
Total Hole Range			12.5 to 43.2	17.8 to 61.7	2.23 to 20.8

The property is well-located in terms of infrastructure. The Ontario Northland Railway main line runs right through the property, a major high voltage transmission line is 7 kilometres away and Highway 11, the major highway linking Northern and Southern Ontario is 18 kilometres to the west. There is a large work force available in the area and the property is close to major North American markets for iron and titanium. The Company will in the future refer to the iron-titanium project on the eastern portion of its Flett Property as the “Titan Project”. With recently completed staking, the Titan Project now comprises 2150 contiguous hectares (5370 acres) of 8 claims (123 units) and 17 patents. The additional ground staked has a large magnetic anomaly approaching the size of Titan but weaker in magnetic intensity. The Company recently completed a ground geophysical survey over the magnetic anomaly in order to better define a drill target. The Company plans to drill at least one hole into this anomaly.

In late October, 2004 the Company retained Heath and Sherwood Drilling (1986) Ltd. of Kirkland Lake, Ontario to begin Phase 1 of a Stage 2 drill program at the Titan Project.

Drilling began the week of November 8th, with a minimum of five drill holes with 1,300 metres (4,260 feet) to be drilled before the end of the year. The first phase of the Stage 2 drill program is part of the Company's plan to drill 30,000 metres in the next six months, subject to available financing. The drill program will be helicopter supported.

The purpose of this drill program was to test a wider area of the strong, 2,000 metre diameter magnetic anomaly in an attempt to increase the known area and volume of rock in which the iron-titanium mineralization may occur, to test the nature of the footwall contact of the iron-titanium bearing mineralization in one drill hole and to define any significant layering that may be present adjacent to the contact as these may be prospective for platinum group metals ("PGMs"), and to drill a vertical hole to the maximum depth that the drill equipment can reach in order to test for any changes in the nature of the mineralization that may occur within that depth.

On December 12, 2004 the Company announced major drill intersections of iron and titanium from the third drill hole at the Titan Project.

Drill hole number RA 3-04 was drilled towards the west (270 degrees) at -45 degrees dip. The hole is located 100 metres west of hole RA 1-04.

The purpose of hole RA 3-04 was to extend the known area of mineralization and attempt to test the nature of the footwall contact of the iron-titanium bearing mineralization (by intentionally drilling beyond the mineralization into the presumed location of the non-mineralized zone) to define any significant layering that may be adjacent to the contact as these may be prospective for platinum group metals (PGMs). The first objective was achieved with grades in the top portion of the hole higher than in drill holes RA 1-04 and RA 2-04. The contact was not tested as the hole ended in iron-titanium mineralization although with reduced values from the top portion of the hole, potentially indicating proximity to the contact. Low end anomalous values of PGMs are present in portions of the hole.

Drill results are as follows:

Drill Hole	Intersection (metres)	Thickness (metres)	Fe_2O_3%	TiO_2%	Vanadium%
RA 3-04	0 to 72	72	46.1	14.3	
	0 to 80				0.1542
	72-136	64	22.5	7.1	N/A
	136-252	116	15.6	4.4	N/A
Total Hole	0 to 252		26.0	7.9	N/A
Total Hole Range			12.3 to 65.9	1.15 to 21.5	

Assays for vanadium were completed for the first 80 metres of the hole. Assays for vanadium were not carried out in previous drill holes. Values returned are as high as 2550 parts per million and average 1542 parts per million or 1.5 kilograms per tonne (3.3 lbs. per tonne). Vanadium prices as high as $44 per kilogram ($20 per pound) have recently been reported. The assaying procedure involved treatment of the sample with aqua regia; there is incomplete solution of the sample with this method and vanadium content may have been under assayed as a result. All future assays for vanadium will utilize total dissolution, and the metal will be assayed separately from all other elements.

The Company has also completed four additional holes as part of this drill program.

Drill hole RA 4-04 was drilled toward the west (270 degrees) at -45 degrees dip and completed to 250 metres. It is located 200 metres south of RA 1-04. Drill hole RA 5-04 is located at hole RA 1-04 and was drilled toward the east (90 degrees), -45 degrees dip and was completed to a depth of 238 metres. Drill hole RA 6-04 is located 60 metres south of hole RA 1-04. It is a vertical hole and was stopped at a depth of 387 metres. The Company's geologist wished to continue the hole but the drill equipment (a light helicopter supported drill) was encountering difficulty at depth. Drill hole RA 7-04 was drilled toward the west (270 degrees) at -45 degrees dip and completed to 250 metres at the same location as drill hole RA 2-04.

The core from all of the holes are being logged and split using a diamond saw. 100% of the cores from all holes are being sent to ALS Chemex for analysis.

All of the drilling conducted by the Company to date on the Titan property, with the exception of drill hole number RA 3-04, is outside of the area of previous historical drilling done in the 1940's and 1950's. The Ontario Government's Ministry of Northern Development and Mines reports historical iron-titanium reserves of 141 million tons from this drilling, grading 34.58% Fe (49.44% Fe_2O_3) and 15.64% TiO2. This reserve figure was calculated prior to the implementation of NI 43-101 standard. The Company is not relying on these reserve figures and investors are cautioned that recent independent verification of the reserve data has not been performed and Randsburg has not completed sufficient exploration on this part of the property to verify the historical reserve figures. Randsburg is not treating the historical estimates as National Instrument defined reserves verified by a qualified person and the historical estimate should not be relied upon.

The Company has consulted with outside experts on the nature of the mineralization. Probe analysis has determined from the samples studied that the majority of the titanium is contained in ilmenite. Furthermore, outside experts believe that the iron and titanium can be separated.

The Titan Project is being conducted under the supervision of Ken Germundson, Ph.D, Professional Geologist, the Company's Qualified Person under the meaning of National Instrument 43-101. The drill logs, cores and assay results have been reviewed and verified by Dr. Germundson.

Randsburg is currently engaging in discussions with potential industry partners, producers and end users regarding the Titan and Flett Projects.

Titanium and the Titanium Market

Titanium dioxide pigment (TiO_2) is a white powder with high opacity, brilliant whiteness, excellent covering power and resistance to colour change. Titanium dioxide pigment is valued for its endurance, brightness, and non-toxicity, while the metal titanium is known for its extremely high strength to weight ratio. The unique properties of titanium dioxide give colours a richness unmatched by any other pigment. Titanium dioxide protects materials from the weather, wear and ageing. These properties improve many products' quality and color, making titanium dioxide a critical ingredient in a wide range of industrial and consumer products including paints, plastics, paper, fabrics, cosmetics, sunscreens, food, toothpastes and even candy. Titanium dioxide has no harmful affects on people. The strength and lightness of titanium metal makes it a key component in airframe parts, spacecrafts, bicycles, surgical implants and golf clubs.

Total annual sales for the titanium dioxide and titanium metal markets are approximately US$ 9 billion, a figure that is larger than the world nickel market. Titanium dioxide sells for approximately $2000 a metric tonne. Titanium dioxide demand has significantly increased worldwide with major price increases in the last year. Over the last 25 years, demand has grown by about 3% per year. This level of growth is expected to continue and be driven by expanding uses in numerous end markets.

Five companies: Dupont, Millennium Chemicals, Kerr McGee, Huntsman Tioxide, and Kronos, account for approximately 75% of the global titanium dioxide production. The leading global suppliers of the feedstock to produce titanium dioxide are Iluka Resources, South Africa-based Richard's Bay Minerals, and Rio Tinto's QIT in Canada and South Africa.

Demand for titanium may also accelerate as a result of a recent breakthrough made at Cambridge University that could dramatically reduce the cost of producing titanium metal. Currently, the metal sells for approximately US$ 20,000 per metric tonne or about five times more than stainless steel. The new process, proposed by Professor Derek Fray, would reduce the cost to US$ 6,000 a tonne, making it competitive on price with stainless steel but superior in terms of strength, weight, and rust resistance.

Iron and the Iron Ore Market

Iron Ore is the key ingredient for the production of steel. Steel production is forecast to be in excess of one billion tonnes in 2004. Global iron ore production is estimated to increase from 523 million tons in 2003 to over 700 million tons in the next few years.

Spot prices for ore with 63.5 percent iron content are in the range of $70 to $75 a ton. Prices have jumped over 70% this year because of surging demand from Asia. In April, China said it could invest more than $5 billion in Brazilian ports and railways in a move to secure the delivery of its booming (mainly iron ore) commodities imports. The world iron ore market is larger than the market for gold.

Rio Tinto, the world's No. 3 mining company increased its forecast for Chinese steel consumption to 390 million tons by 2010, from a previous forecast of 300 million tons. Chinese demand was 232 million tons last year, according to the International Iron and Steel Institute.

In February, BHP, the world's largest mining company signed a $9 billion deal to supply four Chinese mills with 12 million tons of iron ore every year for the next 25 years. The four leading Chinese iron and steel makers took a 40 per cent share in a lease of one of the Australian company's iron ore territories. In March BHP announced that it continues to experience unprecedented demand for the steel-making raw materials of iron ore, and absolutely no signs of any let-up in China.

Anglo American, the world's second largest mining company recently announced in their annual report that strategically, the most important development of 2003 was their acquisition of a controlling stake (currently standing at around two-thirds, or about US $1 billion) of the world's fifth largest iron ore producer Kumba Resources. This confirmed their long-standing objective of securing a substantial presence in the iron ore market with a base for further expansion in due course.

Private Placements

On September 24, 2004 Randsburg announced a non-brokered private placement of 500,000 units at $0.50 each. Each unit will consist of one common share and ½ of a non-transferable share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share of the Company for $0.60 per share for a two year period from closing. This private placement was completed in October, 2004, with a hold period expiring on February 28, 2005 applicable to the shares and any shares acquired upon exercise of the warrants. A finders fee of $22,500 was paid with respect to this placement, with the net proceeds of this placement applied to general working capital.

On October 12, 2004 the Company announced another non-brokered private placement of its securities consisting of the sale of 462,000 units at $0.65 each. This placement was also closed in October, with each unit consisting of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company for $0.85 per share for an eighteen month period from closing. A hold period expiring on February 28, 2005 will apply to the shares and any shares acquired upon exercise of the warrants. No finders fees were paid with respect to this palacement.

On November 26, 2004 Randsburg announced that it had agreed to a non-brokered private placement of its securities consisting of the sale of 1 million non-flow through units at $1.80 per unit and 1.5 million flow-through shares at $2.00 per share, subject to acceptance for filing by the TSX Venture Exchange.

Each non-flow through unit will consist of one common share and one non-transferable share purchase warrant exercisable to purchase an additional share of the Company for $2.25 per share for a two year period from closing.

On closing, the Company has agreed to pay finders fees of up to 10% to participating brokers, as well as broker's warrants equivalent to 10% of the number of units or shares sold, exercisable for a period of two years at $2.00.

The net proceeds of the flow-through offering will be used to fund exploration on the Company's Titan Project as well as its other properties in Angus, Flett and McClintock Townships, Ontario.

Proceeds of the non-flow through offering will be used for exploration and drilling on the Company's Elephant Gold-Silver joint venture project in Nevada and for working capital.

Elephant Gold - Silver project, Battle Mountain mining district, Nevada

On November 12, 2004 Randsburg and Duncan Park Holdings Corporation (TSX Venture: DPH) announced that they have entered into an agreement whereby Randsburg can earn up to a 50% interest in Duncan Park's Elephant Gold and Silver project situated within the heart of the Battle Mountain mining district, in the northwest part of the Battle Mountain-Cortez-Eureka Trend, Nevada.

The Elephant Property is located three kilometres southeast of Newmont's Copper Canyon – Fortitude porphyry/skarn gold deposits, which are part of Newmont's large open pit Phoenix project, which recently received final approval of its mine construction permit. Elephant is also located six kilometres south of Newmont's now-closed open pit Copper Basin copper-gold mine.

In addition, Duncan Park's Elephant property partly surrounds, on three sides, a major unreported Newmont gold placer and skarn gold resource named the Peninsula deposit. Peninsula is located in Section 1, T. 30N, R. 43E, and contains approximately 1,400,000 ounces of gold at an approximate grade of 0.014 oz/ton Au, according to Mr. David C. Mathewson, the former Peninsula exploration manager for Newmont.

Newmont reportedly made ore estimation analyses for Peninsula, and "floated cones" in formulating the design of an open pit for the Peninsula gold deposit. In addition, ex-Newmont geologists confirmed that gold values of approximately 0.25 oz/ton Au over 3 metre vertical thicknesses occur at the placer – bedrock interface at Peninsula. Exploration drilling by Barrick in 1999-2000 discovered a second gold-bearing skarn "finger" along the west side of the Elephant property.

The Copper Basin and Phoenix mines have demonstrated Mineral Reserves of in excess of 9.4 million ounces of gold, 62 million ounces of silver, and 460,000 tons of copper metal. The nearby, world class Cove-McCoy (ex- Echo Bay) porphyry replacement gold-silver mine complex produced more than 4.4 million ounces of gold and 166 million ounces of silver. Elephant is situated within a world class mining district, and has several large Au-Ag-Cu targets untested or minimally tested by drilling.

Duncan Park controls 253 lode mining claims covering 6.5 square miles, at its Elephant property in Lander County, Nevada. Duncan Park also controls 3,591 acres (5.8 square miles) of additional private lands at Elephant, which border the Elephant claims at Peninsula on its east side. Duncan Park holds a 100% interest in the Elephant claims, net of a 3% Net Smelter Return (NSR). The private lands are subject to a 3.25% NSR on precious metals and a 1% NSR on base metals.

Duncan Park has received approval from the Battle Mountain office of the U.S. Bureau of Land Management to drill up to fifty holes at Elephant. Five holes have been drilled to date with another five holes planned for the Phase two drilling.

The 4 main exploration targets on the Elephant Property are: 1) *Porphyry-related Gold-Copper-Silver* intrusive-hosted deposits, similar to Copper Canyon, Copper Basin, and McCoy; 2) *Skarn-related*

Gold-Silver-Copper deposits similar to Newmont's nearby world class Fortitude Mine, 3) *Replacement Gold-Silver-(Copper)* bodies in Paleozoic limerocks such as the Battle Conglomerate, Antler Limestone and Edna Mountain Formation, similar to the nearby, world-class Cove Mine, and 4) *Debris Flow Alluvial Gold* deposits contiguous with or peripheral to Newmont's Peninsula resource. The Peninsula target area at Elephant presently has two well-defined skarn/porphyry target areas, both of which have been delineated by the exploration drilling of three vertical reverse circulation holes PE3, PE4 and PE5 through alluvial cover. Hole PE3 intersected 100 metres of sulphide bearing gold tungsten skarns at a depth of 110.7 metres. A gold intercept of 1.848 grams per ton was present between 201.2 to 204.3 metres. Local high tungsten values can be indicative of close proximity to the mineralizer intrusive. The distribution of alluvial gold deposits on the property has not yet been determined adequately by drilling.

To earn a 25% interest in the property, the agreement calls for, in the first year, the payment by Randsburg to Duncan Park of 100,000 common shares of Randsburg and 100,000 two year share purchase warrants exercisable to purchase an additional share at $1.60 each, and for Randsburg to spend $200,000 U.S. on an exploration program on the Elephant project which will include a drill program of 4-5 drill holes. Duncan Park will grant to Randsburg 100,000 share purchase warrants exercisable at $.60 per share.

To earn an additional 25% interest within the next two years, Randsburg must pay Duncan Park additional cash or stock with a value of $250,000 U.S. and fund additional exploration expenses of $500,000 U.S. on the Elephant project.

The agreement is subject to approval of the TSX Venture Exchange.

Temagami Greenstone Belt

On December 17, 2004 Randsburg announced the acquisition of an option to earn a 100% interest on a block of 21 contiguous mining claims covering 3200 hectares (8000 acres) on the Temagami Greenstone Belt. The claim blocks span 13 kilometres in an east-west direction from the Kanichee Mine in Strathy Township, through Chambers Township to KoKoKo Lake in Cynthia Township. The property is situated 6 kilometres west of the town of Temagami, Ontario which is 100 kilometres north of the City of North Bay, Ontario.

The Company has commenced drilling on the property on the first of three targets. Drilling will test two electromagnetic targets and one 9 metre (30 feet) thick iron-pyrite target. The first two targets are base metal-PGM targets. The third target is a gold target.

The property covers an important trend of the prolific Temagami Greenstone Belt that hosted, among others, the following mines:

Sherman Mine in Chambers and Strathy Twps. Major producer of iron ore.
Copperfields Mine in Phyllis Twp. Produced 80 million lbs. copper with gold and silver credits.
Kanichee Mine in Strathy Twp. Produced 3 million lbs. of copper, 1.2 million lbs. of nickel with gold, silver and PGM credits.

The above property was closed to mining from 1973 to 1996 because of an Indian land caution. Because title to the land was not secure, all development work stopped during this period.

Following the reopening of the land, a staking rush ensued and there were approximately a dozen claim holders with small parcels of claims. As these claims expired, they were restaked over a 5 year period by the current property holder and are now for the first time part of one large land package.

In the 50's and 60's, the Copperfields Mine expanded the search for copper and nickel by mapping and surveying over ultramafics that were similar to the mine in Phyllis Twp. There were a limited number of prospectors and junior mining companies who gave the area a cursory approach to exploration work up until the land caution came into effect in 1973. This is understandable since the land packages were small. The Sherman Mine mined out the iron formation in the southeast corner of Chambers Twp and southern Strathy Township from 1965 to 1992.

Recent exploration work was done by Wabana Explorations which did an airborne survey in 1997 with some follow-up prospecting and geological mapping. Falconbridge flew an airborne survey prior to the land caution opening in early 1996 and followed up with some ground geophysics and limited drilling in the southwest corner of Chambers Township near the iron formation.

The property has numerous showings with iron ore (2 kilometre long trend), gold in iron formation, gold in deformation zones, gold in quartz veins (0.13 oz/ton with 4% zinc) gold in north-south structures (Strathy Township model), and sulphides with the potential for VMS type deposits and PGMs on a trend running from the Kanichee Mine onto the property. Access to the property is by municipal and bush roads.

The current property owner is David Laronde of Temagami. For 25 years David Laronde has had a successful career in mining exploration. He worked across Canada and the high Arctic for major mining companies before starting his own consulting company in 1985, Meegwich Consultants Inc. a company engaged in providing mineral exploration services with emphasis on ground geophysics. He received a diploma in 1979 in Geology Engineering Technology from Cambrian College in Sudbury.

Mr. Laronde considers the property to have high mineral potential. He methodically staked and assembled the property over a 5 year period into its current form and has conducted several ground geophysics surveys which delineated the current targets of Randsburg's drill program.

The agreement calls for an option payment of $5,000 with Randsburg having the right to conduct due diligence (exploration and drilling) on the property until February 15, 2005 after which the Company can exercise its option to earn a 100% interest by paying $50,000 in cash or Company stock and $50,000 in cash or Company stock each year on the anniversary date for the following five years. The property is subject to a 3% net smelter royalty. 1.5% can be repurchased by the Company for $1.5 million at any time.

"This is a great opportunity for Randsburg to become involved in a sizable and significant property at very low, initial cost," stated Michael Opara, President of Randsburg. "We are already working in the immediate area and have the equipment, manpower and facilities in place. Dave Laronde is well respected in the mineral exploration community and has been a wonderful colleague to work with on our Titan and Flett projects. We welcome this new phase of our relationship."

Results of Operations

The Company incurred an operating loss during the three month period ended October 31, 2004 of $125,923 compared to a loss of $220,993 during the same fiscal period a year prior.

The decrease in operating loss during the current period was primarily due to a reduction in the amount charged for stock-based compensation expense, a non cash expense, during the current period of $92,524, as compared to a charge of $169,831 incurred during the three month period ended October 31, 2003.

The other significant changes during the three month period ended October 31, 2004 compared to the three month period ended October 31, 2003 are as follows:

Management fees during the three-month period ended October 31, 2004 of $6,000 were reduced from the $15,000 charged during the same period a year prior as a portion of management fees ($10,000) were charged to deferred exploration costs during the current period for supervision of exploration activities on the Company's Ontario projects. Listing and transfer agent fees increased to $7,131 during the current period from the $2,886 incurred during the three month period ended October 31, 2003 primarily due to additional filing fees for private placements completed during the current period.

Consulting fees of $4,000 were incurred during the current period for marketing of the Company's web site. This compares to consulting fees of $5,000 incurred during the month of October, 2003 for investor relations services.

Interest expense was reduced to $1,724 during the three month period ended October 31, 2004 from the $4,006 incurred during the same period a year prior due to a reduction in the principal amount of outstanding loans.

Office, rent and miscellaneous expense increased to $9,933 during the current fiscal period from $4,708 incurred during the three month period ended October 31, 2003 due to increased levels of exploration activity that required additional levels of administrative services.

Professional fees were reduced to $2,540 during the current period for settlement of a prior dispute, as compared to professional fees of $15,203 incurred during the same period a year prior, primarily for completion of the year-end audit.

Travel and promotion expense was reduced to $2,071 during the current period from the $4,539 charged during the three months ended October 31, 2004 due to certain travel expenses now being included in deferred exploration costs for the Company's Ontario properties, where significant exploration activity was conducted during the period.

Summary of Quarterly Results

	Q3-05	Q2-05	Q1-05	Q4-04	Q3-04	Q2-04	Q1-04	Q4-03
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss ($)	(125,923)	(44,022)	(141,899)	(285,312)	(220,993)	(34,249)	(41,084)	(75,083)
Per Share	(0.010)	(0.004)	(0.013)	(0.032)	(0.028)	(0.005)	0.006)	(0.011)

During the fiscal year ended January 31, 2003 the fourth quarter net loss increased to $75,083 due to a non-cash charge for stock-based compensation of $31,242.

Quarterly losses during the year ended January 31, 2004 were relatively consistent until the third quarter when a stock-based compensation expense of $169,831 was incurred due to the granting of options during that quarter, with the loss increasing to $285,312 in the fourth quarter of fiscal 2004 due primarily to the write-off of properties and their related deferred exploration expenses totalling $339,005 during that final quarterly period of the year, offset by gains on foreign exchange, settlement of debt and expense recovery totalling $97,385.

During the first quarter of fiscal 2005, the Company incurred a loss of $141,899, primarily as a result of stock-based compensation expense of $106,331, a non-cash item. With no options having been granted during the second fiscal quarter (the three month period ended July 31, 2004), there was no charge for stock-based compensation, resulting in a net loss of only $44,022, which is consistent with the losses incurred in prior fiscal quarters when stock-based compensation expense has not been involved. The loss for the third quarter of fiscal 2005 increased to $125,923 as a result of a stock-based compensation expense of $92,524 incurred as a result of the granting of options during the quarter.

Liquidity and Capital Resources

At October 31, 2004 the Company had working capital of $110,469 and cash on hand of $344,139. This compares to working capital of $397,748 and cash on hand of $627,574 at January 31, 2004, which was primarily restricted cash from a flow-through share offering that was used for eligible Canadian exploration expenses during the current fiscal year.

The increase in working capital during the three month period ended October 31, 2004 was due primarily to completion of two private placements for net proceeds of $527,800.

The Company will be required to raise additional funds to fund its operating expenses as well as further exploration work that it would like to undertake on its Ontario properties as well as Brazil and Nevada. The Company will need to complete an additional private placement of equity securities during the fourth quarter of fiscal 2005 in order to continue to fund its operations. To this end, on November 22, 2004 the Company announced a non-brokered private placement of up to 1,500,000 flow-through shares at $2.00 per share and up to 1,000,000 non-flow-through units at $1.80 per unit to fund its working capital requirements through the next fiscal year

Cash flow to date has not satisfied the Company’s operational requirements. The development of the Company may in the future depend on the Company's ability to obtain additional financings. In the past, the Company has relied on the sale of equity securities to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing or in joint venturing its properties.

Related Party Transactions

During the three month period ended October 31, 2004 the Company paid or accrued management and exploration supervision fees totalling $16,000 to the President of the Company.

In addition, the Company accrued interest expense of $1,724 on loans from a director of the Company.

Contingencies

The Company is aware of no contingencies or pending legal proceedings as of December 22, 2004.

Investor Relations

Management of the Company handled all investor relations activities during the period.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.