

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009**



The following discussion and analysis of financial position and results of operations of Auramex Resource Corp. (the "Company") is prepared as at November 24, 2009 and should be read in conjunction with the unaudited interim consolidated financial statements of the Company, and the notes thereto, for the nine months ended September 30, 2009, and with the audited financial statements and the notes thereto, for the years ended December 31, 2008 and 2007. In this discussion, unless the context otherwise dictates, a reference to the business and operations of the Company includes the business and operations of the Company's wholly owned Mexican subsidiary, Exploración Auramex S.A. de C.V. ("Auramex Mexico"). Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company website at [www.auramex.com](http://www.auramex.com).

**Description of the Business**

The Company is engaged in the business of acquiring interests in mineral properties with exploration potential and exploring those properties to determine if they may host economic deposits of minerals. While the Company has acquired and explored a number of properties over the years, it has yet to identify and develop an economic mineral deposit. If the Company determines that a property likely does not host an economic deposit, or if maintaining a property becomes uneconomic for any other reason, it abandons the property and writes off the capitalized acquisition and deferred exploration and development costs associated with the property. As existing properties are abandoned, the Company seeks out new properties for acquisition that it considers may have the potential to host the economic mineral deposit or deposits that will result in its evolution into a producing, revenue generating entity. The exploration of mineral properties and subsequent development involves a high degree of risk and few properties that are explored are ultimately developed into producing properties.

**Overall Performance**

As the Company does not have a producing mineral property, it has no source of cash other than debt financing and equity financing from the sale of its common shares and share purchase warrants and from the exercise of share purchase warrants and options. The cash raised in this manner is used to cover ongoing administrative expense and to fund exploration activities on its mineral exploration properties. The amount of money available

for exploration is directly related to the amount that the Company is able to raise from these sources, after administrative expenses have been paid.

The Company is continually engaged in the process of raising money and allocating the proceeds between its current administrative needs and desired exploration activities. As funds become depleted, new financing is sought and the process is repeated. The determination as to which properties to explore, what programs to undertake and how much money to spend in each instance is made on an ongoing basis by the Company's management, in consultation with its Board of Directors and professional advisors.

As a result of the foregoing, the true measure of the Company's performance for any given period lies in the amount of money it was able to raise, the amount of exploration it was able to undertake and the results of those exploration efforts.

The working capital deficit at September 30, 2009 was \$152,408 compared to a deficit of \$99,551 at December 31, 2008. The working capital deficit at September 30, 2008 was \$3,911.

At December 31, 2008, the Company had still not incurred \$154,404 of eligible Canadian Exploration Expense which the Company had renounced. This required that the Company reduce the renunciation to investors. On June 22, 2009 the Company completed a private placement of 10,000,000 units at \$0.025 per unit, and on August 27, 2009 completed a private placement of 2,000,000 flow-through shares at a price of \$0.04 per share. A helicopter flown geophysical survey was completed in September and the Company is able to renounce the remainder of the flow-through financing from 2007 as well as the flow-through private placement completed in August, 2009.

## **Results of Operations**

The Company is engaged in the business of acquiring and exploring mineral exploration properties in the hope of discovering economic deposits of minerals that can eventually be placed into production. The Company has yet to identify and develop an economic mineral deposit, and accordingly has no sales or other significant revenue and no profit.

At September 30, 2009 the Company held four mineral exploration properties, the Magenta property, Mexico, the La Perla II concession, Mexico, the Bear River properties, British Columbia and the Brandywine property, British Columbia. A description of each project is contained in the following.

### ***Magenta Property, Mexico***

The Company's Magenta property, located near Culiacan, Sinaloa State, Mexico, comprises 4,954 hectares of staked ground, the Ana concession covering 275 hectares, and the El Fierro concession covering 733 hectares.

With respect to the 733 hectare El Fierro exploration concession, Auramex Mexico entered into an option agreement dated April 8, 2003, as amended, with Exploración Azteca S.A. de C.V. ("Azteca"), a wholly owned subsidiary of Nordic Gold Corp. Under the agreement, Auramex Mexico can earn an 85% interest in the property. Back taxes on the concession were paid, 20,000 common shares in the Company were issued and property expenditures totalling US\$200,000 over five years were required. In January 2008, the

Company issued 25,000 common shares in the Company to extend the option to six years. To date CAD\$242,381 has been expended. Subject to audit, the Company has earned its 85% interest. Upon Auramex Mexico earning its interest, Azteca may either participate in a joint venture for the remaining 15% or convert to a 2% net smelter returns royalty. Azteca will automatically convert to a 2% NSR in the event that its interest under the joint venture is diluted to 10% or less.

An initial evaluation of the Magenta property consisting of a property examination, reviewing historic reports and sampling, was conducted in the spring of 2003. Exploration programs have been conducted twice yearly, in the spring and fall of each year from 2003 until the spring of 2008. Trenching and soil sampling was conducted in the southwest area of the property, an Induced Polarization and Resistivity Survey and surface sampling were conducted in the La Prieta area and in the El Fierro area. Drill programs have tested three locations, the La Prieta #1 vein, La Prieta copper porphyry zone and the El Fierro zone. The assays at La Prieta #1 and El Fierro, although anomalous in gold, copper, silver, nickel and cobalt, were too low to be considered potentially economic. Assays from the porphyry zone identified it as a copper/molybdenum/gold porphyry system returning 0.021% copper and anomalous molybdenum from continuous samples over 313 metres. A 187 metre hole returned anomalous copper values but entered a weakly mineralized diorite in the last 20 metres of the hole. A soil geochemical, induced polarization and mapping program is considered necessary to further evaluate the La Prieta copper/molybdenum/gold porphyry.

There are several anomalies and showings that require further exploration when funds become available.

All programs conducted at Magenta have been supervised by David St. Clair Dunn, P.Geo. ("Dunn") and the most recent report prepared in accordance with National Instrument 43-101 prepared by Dunn, dated April 5, 2005, entitled "Report on Diamond Drilling on the Magenta Property" is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Auramex website at [www.auramex.com](http://www.auramex.com).

### ***La Perla II, Mexico***

During 2005, the Company staked a 300 hectare concession in northern Sinaloa State, Mexico at a staking cost of \$2,831. A soil geochemical survey was conducted in April 2006 over an area of artisanal pitting. An area 200 metres by 50 metres returned anomalous gold values. Trenching of this area was conducted in 2007, and again returned anomalous gold values. The Company has not yet designed a next stage exploration program.

### ***Bear River Properties, British Columbia***

Under six separate agreements the Company has acquired a 100% interest in the Bear River properties for cash totalling \$23,900 and the issuance of 675,000 common shares in the Company. The tenures acquired are subject to four net smelter returns royalty interests, three of which each entitle the vendor to receive a royalty equivalent to 1% of net smelter returns. The fourth royalty agreement entitles the vendor to receive a royalty equivalent to 2% of net smelter returns. All royalty interests can be purchased by the Company for a total of \$6,000,000.

The Bear River properties consist of four mineral claim blocks covering approximately 30,490 hectares located in the Skeena Mining Division, near Stewart, British Columbia. The properties included in these agreements are the Bear, north and northeast of Stewart, Surprise Creek 40 kilometres northeast of Stewart, Georgie River 25 kilometres south of Stewart, and Tide North 45 kilometres north northwest of Stewart.

Under a seventh option agreement dated August 12, 2009, the Company has the right to acquire 1,136 hectares contiguous to the Bear and Surprise Creek claim blocks making both into a single contiguous claim block. The option agreement requires the payment of \$5,000 (paid) and the issuance of 150,000 shares upon exchange approval (issued), the issuance of 225,000 shares on or before October 31, 2010 and the issuance of 300,000 shares on or before October 31, 2011. The option is subject to 1% NSR which can be purchased for \$1,000,000.

On August 14, 2009 the Company contracted a VTEM-M airborne survey by Geotech Ltd. covering 1,053 line kilometres over parts of the Tide North claim block and the Bear claim block. The program was completed September 15, 2009 at a total cost of \$236,000. Exploration on the four claim blocks to date is summarized as follows:

**Bear** – Numerous VTEM conductors were identified on the Bear Property. The Company has contracted a geophysicist to provide further interpretation of the data. Readers are referred to previous MD&A and a news release dated October 2, 2007 that describes some of the exploration results from 2006 and 2007.

**Surprise** – Expenditures on the Bear property were applied to the Surprise claim block that lies east of the Bear claim block and was made contiguous by the previously discussed 1,136 hectares optioned August 12, 2009. A news release dated January 18, 2008 describes assays obtained on this ground.

**Georgie River** – A hand held magnetic and VLF-em geophysical survey in 2007 outlined an anomaly of about 700 metres by 250 metre lying north of the historic Lydden showing where copper (4.3%) and anomalous gold were obtained along 25 metres of northerly strike, across 1.1 metres of width. Drilling has been recommended. Readers are referred to a news release dated January 10, 2008.

**Tide North** - The VTEM survey outlined a conductor of approximately 1,000 metres in the area where previously reported gold values were obtained in 2006 and 2007 from a gold bearing structure and stream sediment samples. Before drilling this target, the Company will seek input from its consulting geologists to determine which of the Bear, Georgie River and Tide North targets should be drilled in 2010.

Our consultants are preparing a comprehensive model that will include information from various sources, notable geology, topographic features, historical third party data, satellite imagery, stream sediment assays, etc, which presumably will pinpoint locations for future drilling. The Company has \$522,500 in flow-through funds for expenditures in the Stewart area in 2010.

### ***Brandywine Property, British Columbia***

The Brandywine property comprises a 100% interest, subject to a net smelter returns royalty of 0.5% with minimum annual payments of \$50,000 following commencement of commercial production, in a mining lease and five located mineral claims consisting of 51 units located in the Vancouver Mining Division, British Columbia. The property is approximately 1,490 hectares in area. The property includes two cell claim tenures totalling 166 hectares staked adjacent to the five legacy claims.

### **Summary of Quarterly Results**

The following table sets out selected financial information, presented in Canadian dollars and prepared in accordance with GAAP, for each of the last eight quarters ended September 30, 2009:

		<b>2009</b>			
			Third quarter	Second quarter	First quarter
(a)	Revenue	\$	\$ Nil	\$ Nil	\$ Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	\$	\$ (41,770)	\$ (57,907)	\$ (85,291)
(c)	Inc(loss) per share:				
	Basic -	\$	\$ (0.001)	\$ (0.002)	\$ (0.002)
	Fully Diluted -	\$	\$ n/a	\$ n/a	\$ n/a
(d)	Net income(loss)	\$	(41,770)	(57,907)	(85,291)
(e)	Net income(loss) per share:				
	Basic -	\$	\$ (0.001)	\$ (0.002)	\$ (0.002)
	Fully Diluted -	\$	\$ n/a	\$ n/a	\$ n/a

		<b>2008</b>			
		Fourth Quarter	Third Quarter	Second Quarter	First quarter
(a)	Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	\$ (1,044,452)	\$ (57,099)	\$ (69,421)	\$ 34,812
(c)	Inc(loss) per share:				
	Basic -	\$ (0.029)	\$ (0.002)	\$ (0.003)	\$ 0.001
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ 0.001
(d)	Net income(loss)	\$ (1,044,452)	(57,099)	(69,421)	34,812
(e)	Net income(loss) per share:				
	Basic -	\$ (0.029)	\$ (0.002)	\$ (0.003)	\$ 0.001
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ 0.001

		2007			
		Fourth quarter			
(a)	Revenue	\$	Nil		
(b)	Income (Loss) before discontinued operations and extraordinary items	\$	(126,833)		
(c)	Inc(loss) per share:				
	Basic -	\$	(0.004)		
	Fully Diluted -	\$	n/a		
(d)	Net income(loss)	\$	(126,833)		
(e)	Net income(loss) per share:				
	Basic -	\$	(0.004)		
	Fully Diluted -	\$	n/a		

The Company's business of exploring mineral exploration properties with available equity and debt financing is a long term endeavour that may take several years to yield any meaningful results. Fluctuations in results from quarter to quarter are caused primarily by whether the Company raised financing or incurred exploration expenditures in any given quarter, and are not indicative of any particular trend in the Company's overall performance.

The second and third quarter losses in 2009 resulted from the incurrence of general and administrative expense. General and administrative expense is lower in the third quarter as management consulting expense was reduced.

The first quarter loss in 2009 includes the non-cash future income tax of \$47,865 on the reduced renunciation of eligible expenditures to investors. The general and administrative expense was \$37,571.

Fourth quarter losses in 2008 are higher than the first three quarters because of mineral property write-offs in the quarter. The first quarter of 2008 shows income as a result of a non-cash item relating to a future income tax liability of \$93,000 pertaining to the renunciation of Canadian Eligible Exploration Expenditures (flow-through shares).

Fourth quarter losses in 2007 were higher because of stock-based compensation expense of \$56,248 and a currency exchange loss of \$17,057 recorded at year end.

### **Liquidity and Capital Resources**

The Company's primary source of cash is equity financing from the sale of the Company's common shares and share purchase warrants on a private placement basis. Additional cash is generated when convertible securities, such as previously issued share purchase warrants and stock options, are exercised.

During 2008, the Company did not raise sufficient equity to pay its administrative costs as they became due nor to carry out intended exploration on its mineral exploration properties. From the second quarter of 2008 to October 31, 2009, payments due to directors and officers were accrued.

The Company has two primary requirements for working capital: administrative costs and exploration expense.

During the nine months ended September 30, 2009, general and administrative expense totalled \$137,313 (including accrued management consulting and accrued professional fees), compared to \$173,658 in the same period of 2008. The decrease is due to reduced professional fees in 2009, (\$43,401 in 2009, \$58,746 in 2008), reduced marketing and promotion expenses, and reduced investor relation services in 2009, (\$3,000 in 2009, \$23,536 in 2008), and to lower transfer agent and filing fees related to reduced activity (\$13,304 in 2009, \$15,560 in 2008).

Due to challenging market conditions, management had encountered difficulty in raising funding from its conventional sources in the second half of 2008 and the first half of 2009. In the third quarter of 2009 and to date, the Company has raised sufficient funds to meet general and administrative costs as they become due, and to carry out planned exploration programs. In August, the Company issued 2,000,000 flow-through shares for a total of \$80,000. In October, the Company issued 10,260,000 units consisting of 10,260,000 common shares and 10,260,000 share purchase warrants for a total of \$769,500 and 5,500,000 units consisting of 5,500,000 flow-through shares and 5,500,000 non-flow-through share purchase warrants for a total of \$522,500. In November the Company issued 1,740,000 units consisting of 1,740,000 common shares and 1,740,000 share purchase warrants for a total of \$130,500. At the date hereof, the Company has \$636,000 for working capital, property acquisitions, and exploration programs on its Mexican properties, and \$522,500 designated for exploration in British Columbia in the 2010 season.

### **Transactions with Related Parties**

The Company was party to the following transactions with related parties during the nine months ended September 30, 2009.

Wayne Crocker, the Company's President & CEO and a director effective July 2, 2009, billed \$3,000 for consulting services and \$3,879 as repayment of travel expenses in the quarter ended September 30, 2009, which were paid subsequent to the quarter end.

Heather Conley, the Company's previous President & CEO and a director, received \$2,500 each month pursuant to a management consulting contract. Ms. Conley was owed \$12,500 pursuant to the contract for 2008, and a further \$15,000 during the current year. Her management consulting contract ended June 30, 2009. Her arrears were paid in full subsequent to the quarter end.

Ms. Conley is also an associate of Robert A. Young & Associates ("RAYA") and is the spouse of its principal, Robert Young. RAYA provided investor relations services under a contract dated December 1, 2004. The contract was terminated February 28, 2009. During the first seven months of 2008, the Company paid \$10,500 to RAYA under this contract, and a further \$7,500 was owed for 2008, and \$3,000 was owed for 2009. Payment in full was made subsequent to the quarter end.

Judie Whitby, the Company's Chief Financial Officer and a director, receives \$4,500 per month for providing accounting, office and general management services to the Company.

Ms. Whitby was owed \$36,000 from 2008, and a further \$40,500 in 2009 and a further \$4,500 to date. Payment was made in full subsequent to the quarter end. Ms. Whitby was also owed out of pocket expenses of \$1,341 from May of 2008 to September 2009, which was also repaid subsequent to the quarter end. In addition to these transactions, Ms. Whitby loaned the Company \$2,500 on April 8, 2009. The loan was unsecured and carried an interest rate of 15%. The loan was repaid with interest on October 8, 2009

The Company's primary supplier of geological services was David St. Clair Dunn, a former director of the Company. During the six months ended June 30, 2009, Mr. Dunn billed \$1,350 for these services. In addition he was owed \$3,150 from 2008. Mr. Dunn loaned the Company \$2,500 on April 8, 2009 under the same terms and conditions as Ms. Whitby. Mr. Dunn was paid all outstanding amounts in July 2009.

The Company's primary supplier of legal services is Venex Law, which is a sole proprietorship of Clive Forth, a director of the Company. Venex Law was owed \$21,850 from 2008 and a further \$20,038 was owed for work in progress to September 30, 2009. Mr. Forth loaned the Company \$2,500 on April 8, 2009 on the same terms and conditions as Ms. Whitby and Mr. Dunn. Outstanding accounts were paid in full subsequent to the quarter end. From September 30, 2009 to date, Venex Law has billed and been paid \$21,993 for legal services provided.

The Company considers all of the foregoing transactions and the amounts related thereto to be reasonable and representative of normal commercial transactions.

### **Changes in Accounting Policies Including Initial Adoption**

Effective January 1, 2008, the Company adopted the new CICA guidelines of Section 1535, *Capital Disclosures* which requires companies to disclose their objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, and whether companies have complied with externally imposed capital requirements and, if not in compliance, the consequences of such non-compliance.

The Company's objective in managing capital is to enable the company to continue as a going concern. The Company is not subject to externally imposed capital requirements.

Effective January 1, 2008, the Company adopted the CICA guidelines of Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*. These standards replace CICA 3861, which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk, and market risk. Such quantitative disclosures must provide information about the extent to which the company is exposed to such risk, based on information provided internally to the entity's key management personnel.

*Credit risk* – Cash is held in high-quality financial institutions. GST receivable is generated on the purchase of supplies and services in Canada, and IVA receivables are generated on the purchase of supplies and services in Mexico.

*Liquidity risk* – The Company tries to maintain sufficient capital to meet short term business requirements.

*Foreign Currency risk* –The Company operates in Canada and Mexico and is therefore subject to foreign currency fluctuations. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks, but does not carry significant balances in foreign currencies.

<u>September 30, 2009</u>		<u>Canadian equivalent</u>	
Cash in US dollars	\$	1,390	1,491
Cash in Mexican pesos	\$	119,900	9,539

In June 2007, the CICA issued amendments to CICA Section 1400, "General Standards of Financial Statement - Presentation" to include requirements to assess and disclose an entity's ability to continue as a going concern. The amendments are effective for interim and annual financial statements beginning on or after January 1, 2008. The implementation did not have a significant impact on the Company's results of operations, or financial position.

Effective for annual and interim financial statements commencing January 1, 2009 is the adoption of the standard *Goodwill and Intangible Assets*, CICA Section 3064. This section establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The Company does not expect this standard to have any impact on the Company's financial statements.

In January 2009, the Emerging Issues Committee ("EIC") issued EIC -173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. This new standard is effective for the Company's interim and annual consolidated financial statements commencing January 1, 2009. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

On March 27, 2009, the CICA approved EIC-174 "Mining Exploration Costs." This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after March 2009.

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard becomes effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards. The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling

interests at the time of a business combination. The Company does not expect the adoption of this section to have a significant effect on its financial statements.

The CICA concurrently issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests” which replace Section 1600 “Consolidated Financial Statements.” Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 “Business Combinations.” The Company does not expect the adoption of this section to have a significant effect on its financial statements.

The Canadian Accounting and Standards Board has determined that the existing Canadian standards and interpretations that currently comprise Canadian generally accepted accounting principles for publicly accountable enterprises (including reporting issuers) will be replaced with International Financial Reporting Standards (“IFRS”). The effective date of the changeover to IFRS will be January 1, 2011. The Company is in the process of assessing, in consultation with its professional advisors, the impact of the change on its policies, procedures and financial reporting. At the date hereof, no specific conclusions as to the impact of IFRS have been drawn, nor has a changeover plan been adopted. The Company will provide disclosure in future quarters as its IFRS changeover plan is developed and the impact of the adoption of the plan becomes apparent. The audit committee will meet with the Company’s audit partner to review plan.

### **Financial Instruments**

At November 24, 2009 the Company has current assets in the amount of \$112,749. The cash component is \$85,858, taxes recoverable are \$20,912, and prepaid amounts are \$1,250. At December 31, 2008, cash amounted to \$16,660, taxes recoverable were \$28,732 and prepaid amounts were \$1,909. The current liabilities of the Company as at November 24, 2009 are \$265,157 (\$146,852 at December 31, 2008).

### **Additional Disclosure for Venture Issuers**

The Company’s business primarily involves mining exploration, and the Company has received no revenue from operations in either of its last two financial years. The following selected financial information indicates costs and expenses incurred by the Company this year and last year.

	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Capitalized or expensed exploration and development costs		
• Magenta property, Mexico	\$ 21,267	\$ 76,625
• Gracias a Dios, Mexico	Nil	214,835
• Brandywine property, B.C.	673	6,479
• Bear River properties, B.C.	224,178	11,629

• La Perla II, Mexico	1,000	1,184
Expensed research and development costs	Nil	Nil
Deferred development costs	Nil	Nil
General and administrative expenses	41,795	173,959
Material costs not referred to in the foregoing	Nil	Nil

### Disclosure of Outstanding Share Data

The Company has the following securities outstanding at the date hereof:

67,186,459 common shares.

31,009,210 warrants to acquire common shares,

1,168,421 incentive stock options to acquire common shares.

#### Common Shares

Balance at December 31, 2008	36,327,249
Shares issued – private placement – June 2009	10,000,000
Shares issued – flow-through private placement – August 2009	2,000,000
Shares issued – private placement – October 2009	10,260,000
Shares issued – flow-through private placement – October 2009	5,759,210
Shares issued – private placement – November 2009	1,740,000
Shares issued – exercise of warrants	900,000
Shares issued – mineral property acquisition – August 2009	150,000
Shares issued – mineral property acquisition – November 2009	50,000
Balance November 24, 2009	<u>67,186,459</u>

Number of Warrants	Exercise Price	Expiry Date
2,100,000	\$0.10	March 11, 2010
1,150,000	\$0.10	July 8, 2010
10,000,000	\$0.05 1 <sup>st</sup> year, \$0.10 2 <sup>nd</sup> year	June 22, 2011
10,260,000	\$0.10 1 <sup>st</sup> year, \$0.15 2 <sup>nd</sup> year	October 19 2011
5,759,210	\$0.15 1 <sup>st</sup> year, \$0.20 2 <sup>nd</sup> year	October 21, 2011
1,740,000	\$0.10 1 <sup>st</sup> year, \$0.15 2 <sup>nd</sup> year	November 2, 2011
<b>31,009,210</b>		

Options Outstanding	Exercise Price	Expiry Date
50,000	\$0.20	May 5, 2010
500,000	\$0.13	March 8, 2011
100,000	\$0.13	January 11, 2012
518,421 <sup>(1)</sup>	\$0.095	October 21, 2011
<b>1,168,421</b>		

<sup>(1)</sup> The options are exercisable for the purchase units consisting of one common share and one share purchase warrant to acquire one common share. The warrants are exercisable at a price of \$0.15 on or before October 21, 2010 and thereafter at a price of \$0.20 on or before October 21, 2011.

### **Other**

The Company has no off-balance sheet arrangements. The Company has no proposed material asset or business acquisition or disposition that the Company's Board of Directors has decided to proceed with, or that the Company's senior management has decided to proceed with in the belief that confirmation by the Board is probable.