

## **AURAMEX RESOURCE CORP.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 2005**

The following discussion and analysis of the financial position and results of operations of Auramex Resource Corp. (the "Company") is prepared as at November 25, 2005, and should be read in conjunction with the unaudited consolidated financial statements of the Company, and the notes thereto, for the nine month period ended September 30, 2005 and with the audited consolidated financial statements, and the notes thereto, for the year ended December 31, 2004. 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. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.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. 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 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.

Working capital at September 30, 2005 was \$85,422 compared to \$117,854 at September 30, 2004. The cash component of working capital at the same dates was \$122,866 and \$264,893, respectively. During the nine months ended September 30, 2005, the Company received \$164,000 (none was received in the third quarter) from private placements, and received \$168,410 (none in the third quarter) from the exercise of warrants. In the same period in the previous year, the Company received \$100,000 of debt financing, \$755,000 from private placements, and \$58,033 from the exercise of warrants.

At December 31, 2004 the Company's working capital was \$242,686 and the cash component was \$382,251.

## **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.

As stated previously, the Company is dependent on equity and debt financing to raise funds to explore its properties. The availability of such financing is directly affected by world prices for metals, particularly gold, as higher metal prices increase the potential value of any resource containing those metals that the Company might discover. Typically, higher metal prices also favourably influence the performance of stock markets, including the TSX Venture Exchange on which the Company's shares are listed, thereby improving the Company's prospects for selling its debt and equity securities and potentially enhancing the price at which such securities can be sold.

Gold and other metal prices have been higher in 2005 than in 2004. At the beginning of January 2005, gold was US\$427.75 per ounce (January 2004 – US\$415.20) and at the end of September 2005 it was US\$473.25 (September 2004 – US\$412.35). On November 25, 2005, it was US\$495.70. There can be no assurance that relatively high gold and other metal prices will continue.

At September 30, 2005 the Company held five mineral exploration properties, the Summit/Oldtimer property, British Columbia, the Bear River property, British Columbia, the Magenta property, Mexico, the La Perla II mining concession, Mexico and the Brandywine property, British Columbia. A description of each project is contained in the following.

#### ***Summit/Oldtimer Property, British Columbia***

The property is held under an option agreement entered into in February 2004. Under the agreement, the Company has the right to acquire up to a 100% interest in the property by paying \$50,000 to the optionor (paid), incurring property expenditures of \$50,000 per year in 2004 (\$63,000 incurred in 2004/\$226,000 in 2005) through 2008, and making payments to the optionor of \$30,000 in 2006, \$35,000 in 2007 and \$40,000 in 2008. These latter payments are reduced by the amount of any net smelter returns royalties paid to the optionor pursuant to the royalty referred to hereafter. Having made the payments and incurred the property expenditures referred to in the foregoing, the Company can acquire an interest of from 25% to 100% in the property by paying, on or before January 31, 2008, \$6500 for each 1% interest purchased, less the amount of all payments received by the optionor to that date other than the initial \$50,000 payment. The property is subject to a 2% net smelter returns royalty in favour of the optionor, capped at \$650,000 less the amount of all non-royalty payments previously received by the optionor, other than the initial \$50,000 payment.

The Summit/Oldtimer property initially consisted of 30 mineral claims totaling 54 units and covering 1100 hectares, mostly on the south side of Clearwater creek, approximately 10 kilometers northeast of Ymir, in the Nelson Mining Division, British Columbia. The area under option has been expanded in 2005 by the addition of contiguous ground totaling approximately 1900 hectares, at a staking cost of \$564. The Ymir property is situated in the northeastern part of the Ymir gold camp and straddles a complex contact zone between granodiorite of the Nelson Plutonic series and Ymir Group metasediments. Access to the property is by 4X4 vehicle along 12 kilometers of the Clearwater Creek Forestry road, off highway #6 approximately 10 kilometers south of Nelson, B.C.

In July, 2004, the Company completed a four hole diamond drill program on the property. Three holes in the Summit area of the property intersected a quartz vein and returned anomalous values in gold, but less than 0.5 grams/tonne. The fourth hole, drilled in the Oldtimer area, intersected 13.3 grams per tonne gold over a true width of 4.4 metres from

100.8 metres to 105.6 metres down hole. The fourth hole was located at a 300 metre strike distance from seven historical holes with similar grade and thickness.

In July 2005, the Company completed a twenty four hole diamond drill program on the property. Three holes in the Summit area of the property intersected a quartz stringer zone; however sampling of the zone returned no significant values. Twenty-one holes were drilled in the Oldtimer area, with twenty of the holes intersecting the mineralized structure. These holes demonstrated that the Oldtimer structure is continuous and is mineralized with gold over a strike length of 800 metres and a vertical distance of 350 metres. Intersections varied considerably in width and mineral content. Economic values have not been indicated by the exploration to date.

David St. Clair Dunn, P.Geo (“Dunn”) has prepared a report dated October 15, 2005 on the property entitled “Report on Diamond Drilling on the Summit/Oldtimer Property” in accordance with the requirements of National Instrument 43-101. This report reviews the diamond drilling to date and recommends a 2006 drilling program. The report has been filed on SEDAR and is available both 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). Further particulars concerning the Summit/Oldtimer property can be obtained by reference to this report.

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

The Magenta property is held by the Company’s wholly-owned Mexican subsidiary, Exploración Auramex S.A. de C.V. (“Auramex Mexico”) and is located near Culiacan, Sinaloa State, Mexico. The property comprises 4,900 hectares of staked ground, acquired for staking costs of \$18,000 and 100% owned by Auramex Mexico, and the El Fierro concession covering 732 hectares. Auramex Mexico has the right to acquire an 85% interest in the El Fierro concession under an option agreement dated April 8, 2003, as amended, with Exploracion Azteca S.A. de C.V. (“Azteca”), the wholly owned subsidiary of Nordic Gold Corp., a reporting company listed on the NEX Board of the TSX Venture Exchange. Under the agreement, Auramex Mexico can earn an 85% interest in the acreage by causing back taxes of approximately US\$6,000 to be paid on the concession, causing the Company to issue 20,000 common shares and incurring property expenditures totaling US\$200,000 over five years, of which US\$140,000 need not be spent until the last year (2007). To date the back taxes have been paid, the 20,000 shares have been issued and exploration expenditures of approximately CDN\$164,000 have been incurred on the El Fierro concession. 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. The staked ground surrounds the El Fierro concession on all sides and surrounds certain other claims, totaling approximately 470 hectares, not controlled by the Company.

Since acquisition of the property in 2003, the Company has conducted several exploration programs under the supervision of Dunn. An initial evaluation of the property consisting of property examination, reviewing historic reports and sampling, was conducted in the spring of 2003. An exploration program of trenching and soil sampling was conducted in the fall of 2003. Total exploration expenditures on the Magenta property during 2003 amounted to \$110,399.

In the spring of 2004, Dunn supervised a program of Induced Polarization and Resistivity Surveying and some sampling. Results of the IP survey, conducted by Pacific Geophysical Limited, is reported by Dunn in a report dated June 15, 2004 entitled "Report on Geochemical and Geophysical Progress on the Magenta Property". The Company expended approximately \$50,000 on the work. Several drill targets were identified, as well as other areas that warrant additional geophysical work to determine if drill targets exist there. A 700 metre drill program consisting of five holes was completed October 23, 2004. Total exploration expenditures on the Magenta property during 2004 amounted to \$224,535.

The 2004 drill program tested three locations, La Prieta #1, a copper/gold 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. The results at the copper/gold porphyry zone were encouraging and indicative of the need for additional exploration.

Dunn has prepared a report dated April 5, 2005, on the property entitled "Report on Diamond Drilling on the Magenta Property" in accordance with the requirements of National Instrument 43-101. The report reviews the 2004 diamond drilling program and recommends further exploration. In particular, the report recommends that the copper/gold porphyry zone be evaluated over a north/south length of 1.5 kilometres, and one kilometre east/west, employing prospecting, mapping and soil sampling, at a estimated cost of \$90,000. A portion of the recommended program was carried out in April 2005 at a cost of approximately \$36,000. Additional work was completed in mid-November 2005, at an approximate cost of \$30,000.

The report has been filed on SEDAR and 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***

In the current year, the Company staked a 300 hectare concession in northern Sinaloa State. The property is prospective for gold and copper. Mining laws in Mexico have been recently changed, and title is pending. No plans have as yet been made relating to this property.

***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 1,320 hectares in area.

A geological report in accordance with National Instrument 43-101 was prepared by Dunn, and is dated June 3, 2003 (the “Brandywine Report”). The Brandywine Report reviews previous work conducted on the property and recommends a Phase 1 exploration program consisting of geological mapping and geophysical surveying at an estimated cost of \$70,000. Contingent upon the results from Phase 1, the report recommends a Phase 2 program consisting of diamond drilling at an estimated cost of \$475,000. The Brandywine Report has been filed on SEDAR and is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

While the Company considers the Brandywine property to warrant further work, due to the outstanding issues related to a penstock and power lines erected on the property by a third party and the Company’s limited financial resources, management has determined that, for the short term at least, the Company’s interests will be better served by allocating its available exploration dollars to other properties.

The Company has utilized Portable Assessment Credits to maintain the claims in good standing until April 13, 2010, but has no immediate plans for further expenditures on the property.

***Bear River Property, British Columbia***

The Bear River property is held under an option agreement dated September 21, 2005, with Rod Kirkham of Delta, B.C. (the “Optionor”). Under the agreement, the Company has the right to acquire a 100% interest in the property by paying \$11,000 to the Optionor (paid), causing the Company to issue 200,00 common shares (50,000 issued) over two years and incurring property expenditures of \$125,000 over three years. Upon the Company earning its interest, the Optionor is entitled to receive a 1% Net Smelter Returns Royalty that can be purchased by the Company for \$2,000,000.

The property consists of 30 mineral claims covering approximately 9,300 hectares located in the Skeena Mining Division, approximately 25 kilometres north of Stewart, British Columbia. The property includes the historic crown granted Ruby Silver claim where historical records from 1929 report assays of 115 grams silver per tonne and 11 grams gold per tonne.

The option agreement calls for \$25,000 of the required exploration work to be expended by March 3, 2006, in order to maintain the property in good standing. Of this amount approximately \$17,000 was expended in November 2005 under the supervision of Dunn. No results from this exploration work have been received to date. The Company may use portable assessment credits for the balance of the \$25,000.

### 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 ending September 30, 2005.

		2005	2005	2005	2004
		Third quarter	Second quarter	First quarter	Fourth quarter
(a)	Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	\$ (34,334)	\$ (62,827)	\$ 72,677	\$ (265,039)
(c)	Income (Loss) per share:				
	Basic -	\$ (0.003)	\$ (0.005)	\$ 0.007	\$ (0.03)
	Fully Diluted -	\$ n/a	\$ n/a	\$ 0.004	\$ n/a
(d)	Net Income (loss)	\$ (34,334)	\$ (62,827)	\$ 72,677	\$ (265,039)
(e)	Net Income (loss) per share:				
	Basic -	\$ (0.003)	\$ (0.005)	\$ 0.007	\$ (0.03)
	Fully Diluted -	\$ n/a	\$ n/a	\$ 0.004	\$ n/a

		2004	2004	2004	2003
		Third quarter	Second quarter	First quarter	Fourth quarter
(a)	Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	\$ (94,295)	\$ (106,269)	\$ (40,404)	\$ (312,164)
(c)	Loss per share:				
	Basic -	\$ (0.012)	\$ (0.015)	\$ (0.06)	\$ (0.08)
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ n/a
(d)	Net loss	\$ (94,295)	\$ (106,269)	\$ (40,404)	\$ (312,164)
(e)	Net loss per share:				
	Basic -	\$ (0.012)	\$ (0.015)	\$ (0.06)	\$ (0.008)
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ n/a

Losses for the fourth quarter of 2003 have been restated to recognize the change in accounting policy related to stock based compensation.

The income shown in the first quarter of 2005 is due to the recognition of the Income Tax effect of the renunciation of qualified Canadian exploration expenditures in the amount of \$106,860.

Fluctuations in results from quarter to quarter will be caused primarily by whether the Company raised financing or incurred exploration expenditures in any given quarter, and will not be indicative of any particular trend in the Company's overall performance. Fourth quarter losses are higher than the first three quarters because of year end entries, mainly the recognition of stock based compensation expense for stock options.

### **Liquidity and Capital Resources**

The Company has two sources of cash: equity financing and debt financing.

The primary method of equity financing is 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.

Debt financing is achieved by borrowing money from small groups of lenders. Typically, the lenders are paid interest on the money loaned and issued bonus shares as additional consideration for the loans. The Company often attempts to borrow money from holders of its in-the-money share purchase warrants, with a view to offsetting the amount required to repay the funds borrowed with the amount required to exercise the warrants, thereby effectively converting the debt to equity.

During the current financial year to the date hereof, the Company has raised \$164,000 by the issue of 900,000 common shares and an equivalent number of share purchase warrants, and has raised \$168,410 from the exercise of warrants. All of these amounts were received in previous quarters.

In the last fiscal year, and in this fiscal year to date, the Company has successfully raised sufficient equity and debt financing to pay its administrative costs as they become due and to carry out modest exploration programs on its mineral exploration properties. While certain of its administrative costs are fixed and unavoidable, the Company is able in large part to tailor its expenditures to the amount of capital available at any given time. This is particularly true with respect to exploration expenditures. For this reason, the Company has been able, to date, to generate sufficient amounts of cash in the short term to fund its ongoing activities.

The Company's ability to obtain sufficient funding for the medium to long terms will be dependent on the availability of equity and debt financing in the future, which the Company cannot predict. The availability of such funding will be dependent on a number

of factors beyond the Company's control, including commodity prices, stock market performance and any number of other economic conditions. Accordingly, the ability of the Company to continue as a going concern cannot be assured.

One trend that has favourably influenced the Company's capital resources has been rising world prices for gold and a number of other precious and base metals. As the Company's Magenta property, in particular, is prospective for gold, silver, nickel, cobalt, copper and other metals, increased prices assist the Company in raising money for property exploration. Obviously, falling prices for these metals could be expected to have the opposite effect. The Company does not know of any other trends, nor does it expect any fluctuations, that may have an impact on its capital resources, but such trends and fluctuations cannot be accurately predicted and may arise.

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

During the quarter ended September 30, 2005, general and administrative expense totaled \$34,851. Exploration expense is much more discretionary in that the Company can tailor the amount and timing of such expenditures to fit available capital. During the quarter ended September 30, 2005, the Company expended \$4,155 on property acquisition and \$153,038 on exploration and related property expenditures. Working capital at September 30, 2005 was \$85,422.

At the date hereof, the Company has working capital of \$18,225 and expects that approximately \$40,000 will be required to fund general and administrative expense for the balance of the year. Since the end of the third quarter, \$20,135 has been expended to acquire the Bear River property, and property expenditures have amounted to approximately \$41,000. Of this amount \$6,000 was spent to complete the Ymir program, \$17,000 to conduct the initial Bear River exploration program in November, and \$18,000 to conduct the exploration program on Magenta in November. Approximately \$12,000 is still to be incurred for assays and reports on the Magenta property. The Company estimates that a minimum of \$20,000 will be needed to fund the balance of the exploration the Company has undertaken to date.

Loans in the amount of \$100,000 were taken down in 2004 with interest at 5%. Some of the loans have been repaid, and the Company will require the sum of \$35,500 plus accumulated interest of approximately \$3,000 to fund the repayment of the remaining loans.

On October 19, 2005, the Company announced a non-brokered private placement offering of up to 2,000,000 units at \$0.10 per unit. Each unit consists of one common share and one share purchase warrant to acquire one additional common share at a price of \$0.12 per share for a period of two years. The financing is expected to close by December 15, 2005.

Given the foregoing estimate of administrative expense, the intended amount of exploration expense and loan repayment requirements, the Company will require approximately \$100,000 in new capital for the balance of the year. Management expects that at least this amount can be raised from current financing.

### **Transactions With Related Parties**

The Company was party to the following transactions with related parties during the quarter ended September 30, 2005.

Heather Conley, the Company's President, received \$7,500 in management consulting fees. The management contract in this regard is ongoing and Ms. Conley receives \$2,500 each month.

Ms. Conley is also an associate of Robert A. Young & Associates ("RAYA") and is the spouse of its principal, Robert Young. RAYA provides investor relations services under a contract dated December 1, 2004. During the quarter ended September 30, 2005, the Company paid \$4,500 to RAYA under this contract. The investor relations contract is ongoing on a month to month basis in the amount of \$1,500 each month.

Judie Whitby, the Company's Chief Financial Officer and Secretary, receives \$3,500 per month for providing accounting, office and general management services to the Company. During the quarter ended September 30, 2005, Ms. Whitby received the sum of \$10,500 pursuant to this arrangement.

Ms. Whitby loaned \$15,000 to the Company at an annual interest rate of 5%, as part of the \$100,000 debt financing referred to in the discussion under Liquidity and Capital Resources. Ms. Whitby received 10,000 shares as a bonus for the loan. Ms. Whitby was repaid \$10,000 of the loan plus interest on April 4, 2005, and has agreed to extend the balance of the loan.

Kamaka Resources Ltd. loaned \$4,000 to the Company as part of the same \$100,000 debt financing. Kamaka Resources Ltd. is wholly owned by Peter Dasler, a director and President of the Company's Mexican subsidiary. Kamaka received 2,667 shares as a bonus for the loan. Kamaka Resources Ltd. was repaid in full on April 4, 2005.

The Company's primary supplier of legal services is Forth & Company, which is a sole proprietorship of Clive Forth, a director of the Company. During the quarter ended September 30, 2005, Forth & Company was paid the sum of \$4,406 in legal fees, which included disbursements, and taxes that Forth & Company is required to remit to the provincial and federal governments. Forth & Company has agreed to extend to October 1, 2006 the time of payment of an accrued liability which totaled \$153,236 as referred to

in the notes to the audited financial statements at December 31, 2004. At the date hereof, \$18,257 has been billed and paid. The remaining long term liability is \$134,979. The Company considers all of the foregoing transactions and the amounts related thereto to be reasonable and representative of normal commercial transactions.

### Financial Instruments

As at November 25, 2005, the Company has cash in the amount of \$77,453 (at September 30, 2005 - \$122,866) The Company's accounts receivable consist of GST refundable of \$1,789 and interest receivable on bank accounts and term deposits, in the amount of \$54 (at September 30, 2005, \$14,198 and \$597 respectively).

The current liabilities of the Company as at November 25, 2005 are \$61,546 consisting of accounts payable of \$3,792 (including unpaid exploration expenditures of \$1,611 and trade payables of \$2,181), shareholder loans of \$38,325 including accrued interest, accrued audit expense of \$4,520, accrued exploration expense of \$9,000 and accrued tax of \$5,957 on flow through funds not yet spent.

### 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 in the first three quarters of this year and of last year.

	Nine months ended September 30, 2005	Nine months ended September 30, 2004
Capitalized or expensed exploration and development costs		
• Magenta property, Mexico	55,975	114,934
• Brandywine property, B.C.	Nil	527
• Ymir property, B.C.	219,599	61,294
Expensed research and development costs	Nil	Nil
Deferred development costs	Nil	Nil
General and administrative expenses	134,731	238,875
Material costs not referred to in the foregoing	Nil	Nil

**Disclosure of Outstanding Share Data**

The Company has the follow securities outstanding at the date hereof.

- 12,194,749 common shares.
- share purchase warrants entitling the holders thereof to purchase a total of 321,500 common shares of the Company on or before May 3, 2006 at a price of \$0.40 per share.
- share purchase warrants entitling the holders thereof to purchase a total of 353,500 common shares of the Company on or before July 29, 2006 at a price of \$0.40 per share.
- share purchase warrants entitling the holders thereof to purchase a total of 625,000 common shares of the Company on or before Sept 22, 2006 at a price of \$0.40 per share.
- share purchase warrants entitling the holders thereof to purchase a total of 587,500 common shares of the Company on or before November 17, 2006 at a price of \$0.50 per share.
- share purchase warrants entitling the holders thereof to purchase a total of 500,000 common shares of the Company on or before December 30, 2006 at a price of \$0.25 per share.
- share purchase warrants entitling the holders thereof to purchase a total of 500,000 common shares of the Company on or before March 16, 2007 at a price of \$0.20 per share.
- share purchase warrants entitling the holders thereof to purchase a total of 400,000 common shares of the Company on or before June 6, 2007 at a price of \$0.19 per share.
- stock options entitling the holders thereof to purchase a total of 825,000 common shares of the Company on or before August 26, 2008, at a price of \$0.15 per share.
- stock options entitling the holders thereof to purchase a total of 380,000 common shares of the Company on or before December 12, 2008, at a price of \$0.33 per share
- stock options entitling the holders thereof to purchase a total of 50,000 common shares of the Company on or before August 19, 2009, at a price of \$0.40 per share.
- stock options entitling the holders thereof to purchase a total of 150,000 common shares of the Company on or before September 22, 2009, at a price of \$0.50 per share.

- stock options entitling the holders thereof to purchase a total of 100,000 common shares of the Company on or before May 5, 2010, at a price of \$0.20 per share.

**Other**

The Company has no off-balance sheet arrangements. The Company has no proposed asset or business acquisitions or dispositions. The Company did not change its accounting policies during the most recently completed nine month period, nor are any such changes contemplated during the remainder of the year.