ROCA MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(FORM 51-102F1)

YEAR ENDED AUGUST 31, 2004

JANUARY 4, 2005

ROCA MINES INC.
Management's Discussion and Analysis
Year Ended August 31, 2004
Dated as of January 4, 2005

This discussion and analysis should be read in conjunction with the audited financial statements and related notes thereto for the years ended August 31, 2004 and 2003, which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

Forward-Looking Information

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Roca Mines Inc. (the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional, important factors, if any, are identified here.

Description of Business and Overview of Operations and Financial Condition

The Company is engaged in exploration for mineral resources including base, precious and strategic metals. Exploration is focused on the search for precious and base metals on two properties located in the Liard Mining Division, near the Eskay Creek Mine, in northern British Columbia, Canada. The Company has also acquired an option to earn a 100% interest in a property near Revelstoke, British Columbia, where the focus of exploration will be an advanced-stage molybdenite deposit.

During the year ended August 31, 2004, the Company incurred a loss of $801,979 and incurred exploration and acquisition costs of $1,760,821. The Company's 2004 loss has increased from a loss of $243,451 for the year ended August 31, 2003 largely due to higher consulting and travel costs due to increased fund raising activities by the Company's Executive Officers. The Company also incurred non-cash stock based compensation of $268,500 for the year ended August 31, 2004 compared to $42,326 during the prior year and recognized a one-time write-off of $186,198 upon abandonment of one of its resource exploration properties. Exploration and acquisition expenses increased to $1,760,821 during the year-ended August 31, 2004 from $987,881 for the prior year, the increase due largely to increased drilling costs at the Foremore VMS-Gold Project and the acquisition and subsequent exploration of the MAX Molybdenum Project.

As at Aug 31, 2004, the Company had cash and cash equivalents of $736,148 and working capital of $519,727 and is adequately funded to continue its operations in the short term but will require further funding prior to resuming major exploration at its projects (also see *Subsequent Events*).

Selected Annual Financial Results

	Year Ended August 31, 2004	Year Ended August 31, 2003	Year Ended August 31, 2002[1]
Total revenues	Nil	Nil	Nil
Net loss	(801,979)[2]	(243,451)	(57,947)
Net loss per share	(0.05)	(0.03)	(0.05)
Total assets	3,776,752	1,811,776	333,666
Total long term debt	Nil	Nil	Nil

Notes:
1) The Company was inactive during most of the year-ended August 31, 2002.
2) The loss for the year-ended August 31, 2004 includes a one-time write-off of $186,198 in resource property costs and non-cash stock-based compensation of $268,500.

Results of Operations

Foremore VMS-Gold Project

The Foremore VMS-Gold Project ("FOREMORE") mineral claims are 100% held by the Company, subject to underlying agreements with the property vendor. Under the terms of its option agreement, the Company may earn a 100% interest by paying four cash payments totalling $100,000 and by issuing 400,000 common shares to the vendor at certain dates up to May 1, 2005. In addition, the Company must issue 200,000 common shares to the vendor upon the commencement of commercial production. As at the date of this report, $50,000 in cash payments have been made and 300,000 common shares have been issued to the vendor. The vendor will retain a 2.5% net smelter return royalty subject to various conditions. The Company may purchase at any time prior to commencement of commercial production up to 60% of the NSR by paying $1,000,000 for each 30% ($2,000,000 for the full 60% of the 2.5% NSR). The Company will be required to make annual advance royalty payments of $50,000 starting from the earlier of the one-year anniversary of the date when the option is fully exercised or May 1, 2006. This advance royalty ceases in the year in which commercial production commences. All advance royalty payments paid to commercial production are a reduction of future royalty payments.

FOREMORE is located in one of the most active mining and exploration areas in British Columbia - the Eskay/Iskut Camp. This camp includes Barrick Gold's legendary Eskay Creek Mine, Cominco's historic Snip Mine and NovaGold's Galore Creek Project. FOREMORE comprises a number of volcanogenic massive sulphide (VMS) and gold/silver targets and showings on its 235 km^2 (92 sq. miles) area. The project is located approximately 45 km north of Barrick Gold Ltd.'s Eskay Creek Mine and 20 km east of NovaGold Resources Inc.'s Galore Creek Project.

FOREMORE has been the focus of the Company's exploration efforts dating back to the summer of 2002 and was the focus of exploration by Cominco Limited between 1989 and 1996. Drawn to the area because of its abundance of mineralized boulders, Cominco's work failed to locate a source of several boulder fields containing thousands of well-mineralized boulders. Roca's exploration crews have now succeeded in discovering numerous showings and mineralized zones in outcrop in a relatively short period of time.

A complete summary of the 2003 field season and recommendations for 2004 can be found via SEDAR in a technical report entitled "Summary Report of Geological Investigations on the Foremore Project, June – October 2003" by Consulting Geologist, Sandy Sears, P.Geo. Mr. Sears recommended a Phase 1 Exploration budget of $1,196,000 for FOREMORE to consist of prospecting, geological mapping and sampling, geophysics and 5,000 metres of diamond drilling.

At August 31, 2004, work continued at FOREMORE and at the date of this report, geologists continue to compile the results of the 2004 field season. Based on encouraging results early in the season, the Company increased the budget allocation for FOREMORE completing much more work than originally forecast including a total of 5,900 metres (19,352 ft) of diamond drilling in 37 drill-holes. Once a final accounting has been completed for the 2004 season, budget overruns will be significant due to increased helicopter usage, geochemical analysis, prospecting and labour costs and an increase in footage drilled.

At August 31, 2004, the Company had expended a total of $2,352,249 at FOREMORE including $50,000 in cash acquisition costs, $90,000 in share issuances (300,000 shares at a price of $0.30 per share) and $25,195 in additional staking and related claim costs. At August 31, 2003, the Company had expended a total of $1,064,876 including $25,000 in acquisition costs, $60,000 in share issuances and $23,414 in additional staking and related claim costs.

Results from 2004 Season

On September 1, 2004, the Company announced that disseminated to massive precious metal-rich zinc-lead-iron ± copper sulphides were intersected in all of the first six holes at the "BRT Showing" with interval widths ranging from 1.0 to 4.9m (estimated to be approximately true widths). The mineralization is hosted in altered and deformed rhyolitic volcanic rocks and significant intersections are shown in the following table:

BRT Showing – Significant Assays FM04-01 to FM 04-06

Drill Hole	Sample	From (m)	To (m)	Width (m)	Au (g/t)*	Ag (g/t)*	Cu (%)	Pb (%)	Zn (%)	Rock Type
FM04-01	169802	20.4	21.1	0.7	8.05	781	0.643	4.17	7.59	massive sulphide
	169803	21.1	21.6	0.5	0.5	26	0.049	0.02	0.04	phyllite
	169804	21.6	21.8	0.2	2.51	316	0.183	5.05	3.11	massive sulphide
	average	**20.4**	**21.8**	**1.4**	**4.57**	**446**	**0.366**	**2.82**	**4.25**	
FM04-02	169812	**24.5**	**25.8**	**1.3**	**1.53**	**172**	**0.381**	**4.02**	**12.23**	massive sulphide
	169816	29.2	31.2	2	0.28	33	0.124	0.15	6.21	phyllite with sulphides
	169817	31.2	33.1	1.9	0.32	47	0.154	0.08	4.45	phyllite with sulphides
	average	**29.2**	**33.1**	**3.9**	**0.3**	**40**	**0.139**	**0.12**	**5.35**	

Drill Hole	Sample	From (m)	To (m)	Width (m)	Au (g/t)*	Ag (g/t)*	Cu (%)	Pb (%)	Zn (%)	Rock Type
FM04-03	169824	20.7	21.4	0.7	0.87	97	0.617	0.64	9.11	semi-massive sulphide
	169826	21.4	21.9	0.5	0.48	61	0.035	0.54	1.96	phyllite with sulphide
	169827	21.9	22.7	0.8	3.71	204	0.177	3.9	10.13	massive sulphide
	average	**20.7**	**22.7**	**2.0**	**1.9**	**131**	**0.296**	**1.92**	**7.73**	
FM04-04	169836	22.4	23.4	1	0.68	57	0.066	0.16	4.46	semi-massive sulphides
	169837	23.4	24.8	1.4	19.26	2215	0.219	1.77	10.93	massive sulphides
	169838	24.8	25.5	0.7	25.01	425	0.315	1.54	0.9	semi-massive sulphides
	average	**22.4**	**25.5**	**3.1**	**14.57**	**1114**	**0.191**	**1.2**	**6.58**	
FM04-05	169845	**22.9**	**23.9**	**1.0**	**11.13**	**222**	**0.675**	**2.82**	**7.86**	massive sulphide
FM04-06	169855	**23**	**24.5**	**1.5**	**49.02**	**468**	**0.022**	**<.01**	**0.1**	pyritic phyllite
	169856	24.5	25.5	1	0.47	27	0.046	0.02	1.99	pyritic phyllite
	169857	25.5	26.8	1.3	0.58	59	0.18	0.36	2.89	pyritic phyllite
	average	**24.5**	**26.8**	**2.3**	**0.53**	**45**	**0.12**	**0.21**	**2.5**	
	169863	31.9	33.2	1.3	0.43	31	0.11	0.64	1.27	pyritic phyllite
	169864	33.2	34.7	1.5	0.3	27	0.102	0.11	1.19	pyritic phyllite
	169865	34.7	35.6	0.9	0.49	50	0.209	0.12	5.01	semi massive sulphides
	169866	35.6	36.8	1.2	0.32	38	0.266	0.05	8.37	semi massive sulphides
	average	**31.9**	**36.8**	**4.9**	**0.37**	**34**	**0.163**	**0.23**	**3.64**	

Note: * (g/t) = grams per metric tonne

On October 25, 2004, the Company announced the discovery of the large-scale North Zone VMS system at FOEMORE. The system exhibits features typical of a VMS deposit setting; massive, bedded and disseminated sulphide mineralization occurs at the stratigraphic top and within a thick (up to 300m) section of rhyolite interpreted to be part of a large rhyolite dome complex. The newly discovered system exhibits a well mineralized and altered rhyolite-rich section hosted in Late Paleozoic Stikine assemblage rocks. Mineralization is comprised of pyrite, chalcopyrite, sphalerite, galena, bornite, visible gold and electrum.

The Company's 2004 diamond drilling program also included widely spaced vertical diamond drill holes around the Ryder Showing that has identified a significant thickening of the rhyolite section. Significant new assays from drill holes FM04-07 to 35 are listed below.

Ryder Showing Area - Significant Assays FM04-07 to FM 04-35

Drill Hole	Sample	Area	From (m)	To (m)	Width (m)	Gold Au (*g/t)	Silver Ag (*g/t)	Copper (%)	Lead (%)	Zinc (%)
FM04-10	169901	Digger/BRT	31.2	31.9	0.7	0.43	118	0.081	3.58	4.97
FM04-11	169917	BRT	15.1	16.9	1.8	0.2	24	0.042	0.23	1.58
FM04-11	169918	BRT	16.9	18.7	1.8	0.51	42	0.061	0.72	2.19
FM04-21	152026	Ryder	23.6	24.4	0.8	0.1	9	0.558	0.15	2.43
FM04-32	152311	Ryder Ext.	146.9	147.9	1.0	<.01	4	0.068	0.03	1.28
FM04-32	152326	Ryder Ext.	162.0	163.0	1.0	0.15	11	0.168	0.85	3.37
FM04-32	152350	Ryder Ext.	193.6	194.6	1.0	0.17	5	0.112	0.05	1.44
FM04-32	152358	Ryder Ext.	201.6	202.8	1.2	0.17	6	0.142	0.02	1.19
FM04-32	152359	Ryder Ext.	202.8	203.6	0.8	**26.53	85	2.216	1.28	8.64
FM04-32	152402	Ryder Ext.	251.2	252.2	1.0	0.20	12	0.101	0.31	1.86
FM04-32	152407	Ryder Ext.	256.2	257.2	1.0	0.02	<2	0.123	0.01	1.97
FM04-32	152410	Ryder Ext.	259.2	260.1	0.9	0.05	4	0.118	0.37	1.54
FM04-33	152463	Ryder Ext.	128.5	129.5	1.0	0.07	2	0.093	0.02	2.11
FM04-33	152474	Ryder Ext.	152.8	153.4	0.6	0.35	45	1.301	0.16	0.69
FM04-33	152476	Ryder Ext.	153.9	154.2	0.3	0.14	25	0.423	0.29	4.00
FM04-33	152482	Ryder Ext.	157.75	158.1	0.35	1.09	46	3.362	0.25	4.40
FM04-33	152484	Ryder Ext.	158.9	159.55	0.65	1.05	130	1.498	0.22	4.75
FM04-33	152504	Ryder Ext.	348.4	349.4	1.0	0.40	21	0.502	0.09	4.25
FM04-33	152506	Ryder Ext.	356.0	357.1	1.1	0.87	990	1.191	1.37	11.82
FM04-33	152514	Ryder Ext.	363.7	364.4	0.7	0.47	69	0.987	0.43	3.15
FM04-35	152619	Ryder Ext.	416.9	417.4	0.5	0.79	28	0.134	0.12	2.94
FM04-35	152621	Ryder Ext.	417.4	418.0	0.6	0.33	18	0.188	0.10	1.66
FM04-35	152631	Ryder Ext.	488.7	489.5	0.8	0.23	17	0.188	0.19	4.76
FM04-35	152632	Ryder Ext.	489.5	490.0	0.5	0.14	22	0.326	0.09	1.55

*g/t = grams/metric tonne
**contains visible gold

On November 17 2004, the Company announced the receipt of assays from the final two holes of the 37 hole diamond drill program. Hole FM04-36 was drilled vertically to investigate the newly discovered North Zone VMS system at a location approximately 400m (1,312 ft) southwest of hole FM04-32 and 190m (623 ft) east of hole FM04-33. Both FM04-32 and FM04-33 intersected higher-grade base and precious metal mineralization within wide intervals of anomalous base and precious metal mineralization. Drill hole FM04-36 also intersected a wide interval, in excess of 250m (820 ft) of altered and mineralized More Creek Rhyolite with wide intervals of anomalous base and precious metals defining two mineralized horizons within the system. One horizon is related to the top contact of the rhyolite, and a second horizon is located at depth within the rhyolite and includes 1.1m (3.6 ft) that returned 0.42g/t gold, 81g/t silver, 1.13% copper and 3.99% zinc. Significant assays from FM04-36 are shown in the table below.

Selected Assays from FM04-36

From (m)	To (m)	Width* (m)	(feet)	Au (**g/t)	Ag (**g/t)	Cu (%)	Pb (%)	Zn (%)
Mineralization, top contact area of the More Creek Rhyolite								
393.2	401.5	8.3	27.2	0.54	21	0.08	0.32	0.86
408.0	427.0	19.0	62.3	0.14	5	0.13	0.05	0.96
	includes	1.4	4.5	0.15	7	0.20	0.03	4.03
432.0	433.0	1.0	3.3	0.06	<2	0.13	0.01	1.11
Mineralization at depth, within the More Creek Rhyolite								
600.7	609.4	8.7	28.5	0.37	18	0.22	0.1	0.99
	includes	0.4	1.3	1.02	33	0.37	0.3	3.85
	includes	0.4	1.3	0.35	73	1.27	0.95	4.21
	includes	1.1	3.6	0.42	81	1.13	0.48	3.99
	includes	1.1	3.6	0.17	9	0.23	<.01	1.04

* Due to the early stage of exploration at the project, true widths of the intervals have not been estimated.
**g/t = grams per metric tonne

FM04-37 intersected altered basalt and mafic volcanic rocks underlain by interlayered felsic volcanics, chert and cherty argillaceous sediments on the northwestern edge of the North Zone VMS system with low assay results.

Management continues to be impressed with the size potential of the North Zone VMS system based on the observed thickness of alteration and mineralization in core samples. The VMS system is related to the More Creek Rhyolite and this favourable stratigraphy strikes northeast for 3.5 kilometers (2.1 miles), dips shallowly to the southeast, and is exposed on the lower slopes along the south side of More Creek Flats. The system includes the North, BRT and Ryder surface showings all discovered by the Company in 2003 and 2004.

On November 18, 2004, the Company announced an update on the Horizon Gold Zone, a newly discovered high grade gold mineralized zone at FOREMORE located approximately 8.5 km (5.3 miles) south of the volcanogenic massive sulphide mineralized Ryder Showing at the North Zone VMS system. Gold and copper mineralization associated with magnetite (iron oxide) occurs near a contact between a volcanics/limestone sequence and intrusive rocks. A grab sample that assayed 106.9 g/t gold, 59 g/t silver and 2.22% copper was later trenched and sampled over a 3.0m (9.8 feet) width and returned an average assay 18.69 g/t gold, 15.3 g/t silver and 0.52% copper. Following the discovery of additional mineralized rocks to the west of the trenched exposure, a 1 km X 1 km (0.6 X 0.6 mile) grid centred over the trench was established. The grid was geologically mapped at a 1:2,500 scale and soil sampled on 50m centres. A ground-based magnetics geophysical survey was also completed on 12.5m stations and 50m spaced lines over the entire grid.

The work at the Horizon Gold Zone resulted in the identification of an extensive gold-in-soil anomaly, with values as high as 1,329 parts per billion (ppb) (approximately equivalent to 1.3 g/t), that is coincident with a large magnetic high anomaly. A greater-than 50 ppb gold-in-soil contour includes an area of approximately 600 m (1,969 feet) by 300 m (984 feet) and remains open to the north and west toward the most significant portion of the magnetic anomaly. The rockchip-sampled trench described above is situated near the eastern tip of the magnetic and gold-in-soil anomaly, making the bulk of the coincident magnetic and gold-in-soil anomaly very prospective for additional gold mineralization. A copper-in-soil contour value of greater-than 100 ppm (parts per million) is partially coincident with the magnetic-high anomaly.

Future Exploration Plans

The Company's Foremore VMS-Gold Project remains at an early exploration stage and several excellent gold target areas have only been given a cursory look to date. The North Zone exhibits all of the characteristics of any major VMS system and clearly shows good precious and base metal grades within the edges of the system drilled to date. With a strike length of some 3.5 kilometres, the North Zone itself (a small portion of the total project area) has the potential to hold one or several significant deposits.

Recently the Company announced the addition of Mr. John J. Watkins, P.Geo as Senior Project Geologist to focus on the North Zone VMS System. Mr. Watkins has been instrumental in the recent North Zone discoveries at the FOREMORE. He is a consulting geologist with more than 30 years of exploration and mining experience specializing in VMS deposits. His experience includes work for Falconbridge, Homestake, Lac Minerals, Texasgulf, and Westmin among others, at projects and mines throughout Canada, the United States, Latin American and the South Pacific. Mr. Watkins was awarded a M.Sc. and a B.Sc. in Geology from Queen's University, Kingston, Ontario.

Roca's geological team is now documenting and interpreting the results from 2003 and 2004 and planning a comprehensive exploration program for 2005. The 2005 program will likely call for at least two diamond drills at the property and the Company is now considering but not yet committed to joint-venture proposals for the 2005 program at FOREMORE.

MAX Molybdenum Project

By agreement dated January 16, 2004 the Company was granted an option to acquire a 100% interest in certain properties, known as the Max Molybdenum Project ("MAX") located in the Revelstoke Mining Division, B.C. Under the terms of its option agreement, the Company may earn a 100% interest by paying cash payments totalling $200,000 and by issuing 400,000 common shares to the vendor at certain dates up to January 16, 2007. In addition, the Company must issue 200,000 common shares to the vendor upon the commencement of commercial production. As at the date of this report, $100,000 in cash payments have been made and 200,000 common shares have been issued to the vendor. The vendor will retain a 2.5% NSR of which the Company may purchase, at any time prior to commencement of commercial production up, to 60% of the NSR by paying $1,000,000 for each 30% ($2,000,000 for the full 60% of the 2.5% NSR).

MAX was previously explored by a joint venture of Newmont Mines Limited ('Newmont') and Esso Minerals Canada Ltd. ('Esso') from 1975 to 1982. Work expenditure during that period totalled $14.9 million. Work on the project was suspended by the Newmont-Esso joint venture in 1982 due to a price decline and poor market projection for molybdenum products.

In May 2004, the Company completed an initial diamond drill program at the Max Project at a cost of $181,611. The purpose of this initial drill program was to intersect and obtain molybdenite mineralization and host rock associated with the deposit, and to test reported zones of higher-grade mineralization within the deposit. The initial drill program included a total of 1,134m (3,720 ft) of NQ2 core in two holes. Drill hole MM04-01 was noted as being variably mineralized along its entire length of 488.7m (1,603 ft) and was terminated when it intersected the existing underground adit. MM04-02 was also observed to be variably mineralized over a length of 407m (1,335ft) in the interval from 143m to 550m. To assess the higher-grade potential of the deposit, two wide intervals were sampled that included the most visually-mineralized zones in drill hole MM04-02. Assay results from those intervals were released on July 13, 2004 and are reproduced herein:

Assay results from Hole MM04-02

Sample #	From (m)	To (m)	Interval		Mo	MoS_2
			(m)	(ft.)	(%)	(%)
140409	143.4	145.0	1.6	5.25	0.685	1.14
140410	145.0	146.5	1.5	4.92	0.304	0.51
140411	146.5	148.0	1.5	4.92	0.242	0.40
140412	148.0	149.5	1.5	4.92	0.491	0.82
140413	149.5	151.0	1.5	4.92	0.424	0.71
140414	151.0	152.5	1.5	4.92	0.609	1.02
140415	152.5	154.0	1.5	4.92	0.169	0.28
140416	154.0	155.5	1.5	4.92	0.178	0.30
"Upper Interval"		***Total***	***12.1***	***39.69***	***0.390***	***0.65***
140587	397.0	399.2	2.2	7.216	0.199	0.33
140588	399.2	400.5	1.3	4.264	0.054	0.09
140589	400.5	402.0	1.5	4.92	0.148	0.25
140590	402.0	403.5	1.5	4.92	0.104	0.17
140591	403.5	405.0	1.5	4.92	0.087	0.15
140592	405.0	406.5	1.5	4.92	0.117	0.20
140593	406.5	408.0	1.5	4.92	0.224	0.37
140594	408.0	409.5	1.5	4.92	0.718	1.20
140595	409.5	411.0	1.5	4.92	0.251	0.42
140596	411.0	412.5	1.5	4.92	0.130	0.22
140597	412.5	414.0	1.5	4.92	0.438	0.73
140598	414.0	415.5	1.5	4.92	0.311	0.52
140599	415.5	417.0	1.5	4.92	0.508	0.85
140601	417.0	418.3	1.3	4.264	0.285	0.48
140602	418.3	420.0	1.7	5.576	1.206	2.01
140603	420.0	421.3	1.3	4.264	0.890	1.48
140604	421.3	423.0	1.7	5.576	0.108	0.18
140605	423.0	424.5	1.5	4.92	0.439	0.73
"Lower Interval"		***Total***	***27.5***	***90.2***	***0.345***	***0.58***

Note (1): Sample results for elemental molybdenum ("Mo") assays. MoS_2 values are calculated using a conversion factor of 1.6681.

In addition to positively confirming the high-grade mineralization, both drill holes also demonstrated long continuous intersections of MoS2 mineralization. Based on those initial drill results, the Company accelerated its plans to acquire all historical drill data from Newmont Mining Corporation, and to update the historical resource calculation.

On August 6, 2004, the Company acquired a 100% interest in certain crown grants, mining leases and mineral claims contiguous to the original MAX mineral claims. Under the terms of this acquisition agreement, the Company agreed to pay $100,000 (paid) for the contiguous property and original data detailing all previous exploration. This $100,000 has been included in acquisition costs for the year ended August 31, 2004. The Company has granted a 2.5% NSR, reducible to 1% upon payment of $2,000,000, and has agreed to issue 200,000 shares if it commences commercial production from any part of the newly acquired contiguous property.

43-101 Resource Calculations

On September 21, 2004, the Company announced that a comprehensive geological report on its 100% controlled MAX Molybdenum Project was completed by independent qualified person and geologist T.N. Macauley, P.Eng. The mineral resource estimate by the previous operators was reviewed and modified by Mr. Macauley to bring it into compliance with the CIM Standards stipulated by National Instrument 43-101. The following table provides a summary by cutoff grade and classification:

MAX Molybdenum 43-101 Compliant Resource Estimate

Cutoff Grade (% MoS_2)	Measured		Indicated		Measured + Indicated	
	Tonnes	Grade (% MoS_2)	Tonnes	Grade (% MoS_2)	Tonnes	Grade (% MoS_2)
0.10	27,870,000	0.21	15,070,000	0.18	42,940,000	0.20
0.20	9,340,000	0.35	2,010,000	0.41	11,350,000	0.36
0.50	1,010,000	1.01	370,000	0.77	1,380,000	0.94
1.00	260,000	1.95	20,000	1.87	280,000	1.95

In addition to these estimates, Inferred Resources total 8,900,000 tonnes averaging 0.16% MoS_2 at the 0.10% cutoff, including 460,000 tonnes averaging 0.33% at the 0.20 cutoff. All estimates were made manually by drawing grade contours at the 0.10, 0.20, 0.25, 0.50, 1.00% MoS_2 levels on the 30m (98 ft) spaced sections, and then dividing the material bounded by the contours into polygons, generally based on one or several drill intercepts. Bulk sampling of the underground adit, crosscut and drift rounds confirmed the grades of diamond drill holes and grade contours in those areas.

Mr. Macauley's report recommends an exploration program that would re-establish access to the adit providing for a 3,000m (9,850 ft) detailed diamond drilling program on the portion of the large B Zone known as the High Grade Dyke ("HG Zone"). He reports that; "the HG Zone contains 706,000 tonnes averaging 1.07 % MoS_2 in a vertical body 60 to 90m (197 to 295 ft) long, 235 to 335m (770 to 1,100 ft) high and 7 to 28m (23 to 92 ft) wide." The recommended program consists of about 23 diamond drill holes that once completed would bring drill hole spacing in the upper portion of the HG Zone to about a 20m grid. This would permit development of a mining plan consistent with CASE A described above, using ramp access from the existing adit level. The estimated cost of the recommended program is $975,000. MAX is accessible throughout the winter and will be the focus of the team's attentions over the next few months.

Preliminary Engineering and Economic Assessment

On November 30, 2004, the Company announced that it had retained Hatch Associates Ltd. ("Hatch") to conduct independent economic scoping studies for the MAX Molybdenum Project. Hatch will base its scoping studies on the previously reported resource estimates prepared by the T.N. Macauley, P. Eng., and will initially focus on two primary cases for a mining operation from the existing underground adit:

- CASE A: High-Grade Option - this case will review the engineering, cost estimates and financial models for a 'fast-track' mining and milling operation at a 0.50% MoS_2 cutoff based on a measured resource of 1,010,000 tonnes grading 1.01% MoS_2; and,
- CASE B: Bulk-tonnage, 2,000 to 3,000 tonne-per-day Option - this case will review the engineering, cost estimates and financial models for a large-scale mining and milling operation at a 0.20% MoS_2 cutoff based on a measured and indicated resource of 11,350,000 tonnes grading 0.36% MoS_2.

As the price of molybdenum-oxide has recently traded at over US$25/lb, a key consideration of the engineering studies now will be to preserve the mineability of the larger, lower-grade system surrounding the higher grade core. The global measured and indicated resource, 42,940,000 tonnes grading 0.20% MoS_2 at a 0.10% MoS_2 cutoff, remains open at depth and exploration plans will focus on expanding this resource both at depth and in the areas surrounding the main deposit.

SeaGold Property

By agreement dated December 1, 2003, the Company was granted an option to acquire a 100% interest in certain properties, known as the SeaGold Project in the Liard Mining Division, B.C. Under the terms of its option agreement, the Company may earn a 100% interest by paying four cash payments totalling $100,000 and by issuing 200,000 common shares to the vendor at certain dates up to December 1, 2006. In addition, the Company must issue 200,000 common shares to the vendor upon the commencement of commercial production. At year-end, the initial $25,000 cash payment had been made and 25,000 shares issued and at the date of this report an additional $25,000 cash payment has been made. The vendor will retain a 2.5% NSR subject to various conditions. The Company may purchase at any time prior to commencement of commercial production up to 60% of the NSR by paying $1,000,000 for each 30% ($2,000,000 for the full 60% of the 2.5% NSR).

The SeaGold Property is a relatively early stage exploration project located 35 km north of Barrick Gold's Eskay Creek gold/silver mine. The property comprises 160 units in 8 claim blocks and covers an area of approximately 40 square kilometers, centered on a number of gold and copper occurrences. Three types of gold mineralization on the property are noted including sedimentary exhalative (SEDEX) massive sulphides, shear-vein and skarn related. The Company did not conduct any drilling on the SeaGold Property during 2004 and prospecting and sampling results are pending.

PBR Property

On April 8, 2003 the Company entered into an agreement with Homestake Canada Inc., a subsidiary of Barrick Gold Corporation ("Barrick"), whereby the Company was granted an option to earn a 50% interest in the PBR Property, comprising 16 claims (238 Units) covering approximately 60 square kilometres near Barrick's Eskay Creek Mine in northwestern British Columbia

In May 2003, the Company mobilized a diamond drill to the property and re-established on Barrick's 2001 drill site. PBR01-01X was deepened a further 350.95m (1,151 feet) to a final depth of 1770.1m (5,807 feet). While the drill program was a technical success and only slightly over the Company's planned budget of $150,000, assays from a mineralized zone returned only background levels of gold and silver. On March 24, 2004, the Company gave notice to Barrick that it would not be completing further work on the property and therefore, for the year-ended August 31, 2004, the Company wrote off the total amount of $186,198 in acquisition ($30,000, being 100,000 shares at a deemed $0.30 per share) and deferred exploration costs ($156,198) incurred.

Contained in Reclamation Bonds (a long term asset) is $10,000 held by Barrick on behalf of the Company, pursuant to the terms of the PBR Property Agreement. On March 24, 2004, the Company gave notice to Barrick that it would not be completing further work on the property and that the Company would complete all required reclamation on the PBR Property in return of the $10,000 Bond. Having now completed all necessary reclamation work on the property, the Company has requested the return of the $10,000 bond but ultimately the return of the $10,000 is not guaranteed.

Operating Expenses and Loss

For the year ended August 31, 2004, the Company incurred a loss of $801,979 or $0.05 per share, compared to a loss of $243,451 or $0.03 per share during the year ended August 31, 2003 (during the first few months of fiscal 2003, the Company was relatively inactive prior to completing its initial public offering). The loss of $801,979 includes a one-time write-off of $186,198 representing acquisition ($30,000, being 100,000 shares at a deemed $0.30 per share) and deferred exploration costs ($156,198) incurred in connection with the PBR Property on which the Company does not intend to spend further funds. General and administrative costs for the year included consulting expenses of $141,250, advertising and shareholder relation expenses of $68,619, travel costs of $58,060, accounting, audit and legal fees of $31,947, non-cash stock-based compensation expenses of $268,500, listing and filing fees of $20,281, banking, office and sundry expenses of $18,544 and rent costs of $6,000. The significant increase over fiscal 2003's loss are due largely to a much greater activity, including a major increase in consulting and travel costs associated with management's fund-raising efforts in Europe, and the stock-based compensation expenses relating to a change in accounting policy and the one-time PBR Property write-off of $186,198.

Liquidity and Capital Resources

At Aug 31, 2004, the Company had cash and cash equivalents of $736,148 and working capital of $519,727 compared to cash and equivalents of $484,373 and working capital of $264,964 at August 31, 2003. Subsequent to the year-end, most of the Company's cash resources were expended at FOREMORE and subsequent to the year-end, additional funds were raised through private placement. The Company is adequately funded for its overhead and to complete the preliminary economic assessment of the MAX Molybdenum Project but will require additional funding (through the exercise of outstanding share purchase warrants and stock options and/or further equity placements) prior to resuming major field operations at FOREMORE and MAX.

Summary of Quarterly Results

	Aug. 31, 2004	**May 31, 2004**	**Feb. 29, 2004**	**Nov. 30, 2003**
Total revenues	Nil	Nil	Nil	Nil
Net loss	(300,050) [1]	(111,552)	(286,451) [2]	(103,926)
Net loss per share	(0.02)	(0.01)	(0.02)	(0.01)
Total assets	3,776,752	1,891,384	1,771,177	2,066,790
Total long term debt	Nil	Nil	Nil	Nil

	Aug. 31, 2003	**May 31, 2003**	**Feb. 29, 2003**	**Nov. 30, 2002** [3]
Total revenues	Nil	Nil	Nil	Nil
Net loss	(82,033)	(71,507)	(71,452)	(18,459)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.00)
Total assets	1,811,776	1,649,692	1,548,293	364,701
Total long term debt	Nil	Nil	Nil	Nil

Note 1: The loss for the quarter ended August 31, 2004 includes stock-based (non-cash) compensation expense of $247,800.

Note 2: The loss for the quarter ended February 29, 2004 includes a one-time write-off of $186,198 in resource property costs.

Note 3: The Company had yet to complete its Initial Public Offering and was relatively inactive during this period.

Related Party Transactions

Each of Scott Broughton, David Skerlec and John Mirko, either directly or through a wholly owned company, provides consulting or contract services to the Company pursuant to a consulting agreement. Mr. Broughton is paid a per diem rate of $400, and Messrs. Skerlec and Mirko are paid per diem rates of $350. During the year-ended August 31, 2004, consulting fees of $54,000 (2003 - $45,000) were paid or accrued to the President and CEO. Services provided include general corporate, exploration and acquisition strategy, drafting and engineering work, investor presentations and contract negotiations. Consulting fees of $44,450 (2003 – $18,375) were paid or accrued to the CFO and Secretary for services such as corporate finance activities, contract negotiations, financial accounting and general office management. Per-diem geological and contract management fees of $46,450 (2003 - $36,050) were paid or accrued to a director or a company controlled by a director for the nine months ended May 31, 2004. Of this amount, $2,800 is included in related party consulting fees, and the balance in resource property costs.

Risks and Uncertainties

The Company's financial success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The Company competes with many companies possessing greater financial resources and technical facilities than itself. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. All of the Company's short to medium term operating and exploration cash flow must be derived from external financing. Actual funding may vary from what is planned due to a number of factors including the progress of exploration and development on its current properties. Should changes in equity market conditions prevent the Company from obtaining additional external financing, the Company will need to review its exploration property holdings to prioritize project expenditures based on funding availability.

Outstanding Share Data

Authorized: 100,000,000 common shares without par value	**Number**		**Amount**
Balance as at August 31, 2003	12,962,001	$	1,955,842
Private Placement - Nov 19, 2003	3,400,000		510,000
Exercise of Agent's Warrants – Sep 11, 2003	3,000		1,050
Short form offering – June 23, 2004	10,000,000		2,000,000
Issued to Agent as Corporate Finance Fee	100,000		-
Issued for MAX Project – Feb. 27, 2004	100,000		22,000
Issued for Foremore Project – Apr. 30, 2004	100,000		30,000
Issued for SeaGold Project – Apr. 30, 2004	25,000		7,500
Stock based compensation	-		268,500
Share issuance costs	-		(281,892)
Balance as at August 31, 2004	26,690,001		4,513,000
Flow-through Private Placement - Nov 26, 2004 (unaudited)	2,000,000		500,000
Issued to Agent as corporate finance fee (unaudited)	30,000		7,500
Issued to Agent as commission (unaudited)	80,000		20,000
Exercise of Stock Options – Dec. 21, 2004 (unaudited)	180,000		36,000
Exercise of Agent Warrants – Dec. 30 2004 (unaudited)	159,500		31,900
Issued for MAX Project – Dec. 21, 2004 (unaudited)	100,000		33,000
Share issuance costs – approximate (unaudited)	-		(30,000)
Balance as at January 4, 2005	29,239,501	$	5,111,400

During the quarter ended November 30, 2003 the Company received proceeds of $1,050 through the exercise of 3,000 Agent's Warrants. By way of private placement during the quarter ended November 30, 2003, the Company issued 3,400,000 units, consisting each of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of $0.20 per share until November 19, 2005. A fee of $45,750 was paid in connection with this private placement.

During quarter ended February 29, 2004, the Company issued 100,000 shares at a price of $0.22 per share pursuant to the terms of the Max Property option agreement.

During the third quarter ended May 31, 2004, the Company issued 100,000 shares at a price of $0.30 per share pursuant to the terms of the Foremore Project option agreement and 25,000 shares at $0.30 pursuant to the terms of the SeaGold Project option agreement.

During the fourth quarter, the Company completed a financing by way of Short Form Offering of 10,000,000 units at a price of $0.20 per unit raising gross proceeds of $2 million. Each unit consisted of one common share and one half of one warrant with each full warrant entitling the holder to acquire an additional common share at a price of $0.25 per share until June 23, 2005. On closing, the Agent and its sub-agents received commissions of $160,000 and Agent warrants to purchase 1 million units at a price of $0.20 per unit until June 23, 2005. The Agent also received a cash administration fee of $7,500, and a corporate finance fee of $25,000 cash, 100,000 Shares and 50,000 warrants.

At August 31, 2004, 1,845,000 shares were held in escrow, and at the date of this report, 1,230,001 are held in escrow (unaudited), to be released over time.

As at August 31, 2004, the following share purchase warrants are outstanding:

	Number	**Exercise Price/Share**	**Expiry Date**
Warrants	3,400,000	$ 0.20	November 19, 2005
Warrants	5,000,000	$ 0.25	June 23, 2005
Agent Warrants	1,000,000	$ 0.20	June 23, 2005
Agent Warrants	550,000	$ 0.25	June 23, 2005

Subsequent to the end of the year ended August 31, 2004, a total of 1,000,000 Warrants and 270,000 Agent warrants were granted and 159,500 previously granted Agent Warrants were exercised (unaudited). At the date of this report, the following share purchase warrants were outstanding:

	Number	Exercise Price/Share	Expiry Date
Warrants	3,400,000	$ 0.20	November 19, 2005
Warrants	5,000,000	$ 0.25	June 23, 2005
Agent Warrants	840,500	$ 0.20	June 23, 2005
Agent Warrants	550,000	$ 0.25	June 23, 2005
Warrants	1,000,000	$ 0.35	November 26, 2005
Agent Warrants (unaudited)	230,000	$ 0.25	November 26, 2005
Agent Warrants (unaudited)	40,000	$ 0.35	November 26, 2005

A summary of the company's stock options at August 31, 2004 and changes for the period are as follows:

Number at Aug. 31, 2003	Granted	Exercised	Cancelled	Expired	Number at Aug. 31, 2004	Exercise Price	Expiry
908,000	-	-	(908,000)	-	-	$0.35	December 17, 2007
150,000	-	-	(150,000)	-	-	$0.35	January 7, 2008
180,000	-	-	(180,000)	-	-	$0.25	June 30, 2008
50,000	-	-	(50,000)	-	-	$0.20	July 28, 2008
-	908,000	-	-	-	908,000	$0.20	December 17, 2007
-	150,000	-	-	-	150,000	$0.20	January 7, 2008
-	180,000	-	-	-	180,000	$0.20	June 30, 2008
-	397,000	-	-	-	397,000	$0.20	December 11, 2008
-	930,000	-	-	-	930,000	$0.25	August 24, 2009
1,288,000	2,565,000	-	(1,288,000)	-	2,565,000		

Subsequent to the end of the year ended August 31, 2004, a total of 200,000 Stock Options were granted and 180,000 stock options exercised (unaudited), the changes summarized as follows:

Number at Aug. 31, 2004	Granted	Exercised	Cancelled	Expired	Number at Jan. 4, 2005	Exercise Price	Expiry
908,000	-	-	-	-	908,000	$0.20	December 17, 2007
150,000	-	-	-	-	150,000	$0.20	January 7, 2008
180,000	-	(180,000)	-	-	-	$0.20	June 30, 2008
397,000	-	-	-	-	397,000	$0.20	December 11, 2008
930,000	-	-	-	-	930,000	$0.25	August 24, 2009
-	200,000	-	-	-	200,000	$0.25	November 26, 2009
2,565,000	200,000	(180,000)	-	-	2,585,000		

Subsequent Events

Subsequent to the year-ended August 31, 2004, the Company completed a private placement for gross proceeds of $500,000. Two million units ("Units") were issued, each Unit consisting of one flow-through common share and a half of one share purchase warrant. Each warrant entitles the holder to purchase one non-flow-through common share until November 26, 2005. The agent, with respect to $400,000 of the total gross proceeds, received a commission of $20,000 cash, 80,000 Units and an option to purchase up to 200,000 common shares until November 26, 2005 at a price of $0.25 per share. The Company also paid the agent an administrative fee of $5,000 and a corporate finance fee of 30,000 units, each consisting of one common share and one warrant exercisable at $0.25 per share for one year following closing. Proceeds from this private placement will be used to finance continued exploration at the company's Max molybdenum and Foremore VMS-gold projects.

Also subsequent to year-end, 200,000 stock options were granted to a geological consultant of the Company, each option entitling the holder to acquire one common share at a price of $0.25 per common share until November 26, 2009. 180,000 previously granted stock options exercisable at $0.20 per share were exercised for proceeds of $36,000. 159,500 previously granted Agent Warrants exercisable at $0.20 per unit were exercised for proceeds of $31,900.

On December 23, 2004, the Company announced that it had arranged a private placement of 1.75 million units at a price of $0.30 per unit for gross proceeds of $525,000. Each unit is to consist of one common share and one share purchase warrant, each warrant entitling the holder to purchase one common share for one year at a price of $0.35 during the first six months, and at $0.40 during the second six months following closing. The co-agents on this financing will receive an over-allotment option of up to 330,000 units for an additional $99,000 in gross proceeds, and will be paid an 8% commission payable in cash or units, and 8% Agent's warrants with the same terms as those issued to subscribers. One of the co-agents will also receive a corporate finance fee of 40,000 Units. As of the date of this report, the private placement has not closed and remains subject to regulatory approval.