**Form 51-102-F1**

# PLATORO WEST HOLDINGS INC.

## MANAGEMENT DISCUSSION & ANALYSIS

For the nine months ended February 28, 2009

Directors and Officers as at April 22, 2009

Directors:

Daniel Farrell
William Sheriff
Edward Devenyns
John Legg
John Cullen

Officers:

Chief Executive Officer – Daniel Farrell
President – Edward Devenyns
Chief Financial Officer & Corporate Secretary – Gary Arca

Contact Name: Edward Devenyns

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**Form 51-102-F1**

# PLATORO WEST HOLDINGS INC.

## MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended February 28, 2009

### 1.1 Date of This Report

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Platoro West Holdings Inc. ("Platoro", or the "Company") for the year ended May 31, 2008 and the interim consolidated financial statements for the nine months ended February 28, 2009. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

This MD&A is prepared as of April 22, 2009.

***This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.***

### 1.2 Overall Performance

***Description of Business***

The Company was incorporated pursuant to the British Columbia Business Corporations Act on May 16, 2006 and commenced operations on June 1, 2006. The Company has one active subsidiary, PWH Nevada Inc., which was incorporated on July 30, 2007, in Nevada to carry out U.S. operations. The Company's common shares are listed for trading on the Canadian National Stock Exchange ("CNSX")_under the symbol "PWH".

The Company is engaged in the business of mineral exploration in the western United States. The Company's objective is to locate and develop economic precious and base metal properties of merit. The Company's material property is the option to acquire 100% of the Wildhorse Property in Pershing County, Nevada. In addition to the Wildhorse Property, the Company also has a right of first refusal to acquire up to 172 claims in various counties in the State of Nevada. During this period ended February 28, 2009, the Company paid for the filing and recording fees of various claims in the White Mountains of eastern Esmeralda County, Nevada. These claims are all exploration phase projects acquired for their potential to yield high grade mineralizations within the volcanic hosted low sulfidation gold/silver vein system in the Walker Lane structural trend.

On March 30, 2009, the Company completed a business combination with Zacoro Metals Corp. ("Zacoro") see Section 1.4.1.

## 1.3 Selected Annual Information

The Company was incorporated on May 16, 2006 and commenced operations on June 1, 2006. The highlights of financial data for the Company for the years ended May 31, 2008 and 2007 (the end of the first financial year of the Company), are as follows:

| | May 31, 2008 | May 31, 2007 |
|---|---|---|
| (a) Net sales | Nil | Nil |
| (b) Loss before foreign exchange and investment income | (215,530) | (136,813) |
| (c) Net loss | (208,608) | (126,919) |
| (d) Loss per share – basic and diluted | (0.03) | (0.02) |
| (e) Total assets | 1,214,799 | 488,581 |
| (f) Total long-term liabilities | Nil | Nil |
| (g) Cash dividends declared per-share | Nil | Nil |

## 1.4 Results of Operations

***Discussion of Acquisitions, Operations and Financial Condition***

The following should be read in conjunction with the financial statements of the Company and notes attached hereto.

### 1.4.1 Business Combination

On March 30, 2009, the Company completed a Business Combination with Zacoro. Zacoro was an inactive private Ontario corporation, whose only significant assets at the closing date consisted of cash and near-cash investments with a net value of approximately $2,463,100. As a result, the Company has been identified as the acquirer in that the Business Combination effectively represents an acquisition of liquid assets only and not an acquisition of an active business. The Business Combination will be accounted for as a private placement subsequent to February 28, 2009.

In accordance with the terms of the Business Combination, the following has occurred subsequent to February 28, 2009:

- Zacoro has amalgamated with the Company's Ontario subsidiary.
- The Company has reserved 36,562,937 common shares for issuance to the Zacoro shareholders as part of the amalgamation. The exchange ratio was 0.46 Platoro Shares for each Zacoro share.
- Zacoro has replaced three directors on the Board of the Company and the former CEO of Zacoro was appointed the Company's CEO.

In accordance with the terms of the Business Combination, upon the surrender of all of the issued and outstanding Zacoro common shares, the Company will have a total of 50,437,937 common shares outstanding.

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### 1.4.2 Property Activity

***Resource Property – Wildhorse Property***

Pursuant to a mineral property option agreement ("Option Agreement") dated September 1, 2006, with a director of the Company, the Company may acquire a 100% undivided interest, subject to a 3% net smelter royalty ("NSR"), in 36 mining claims located in Pershing County , State of Nevada, United States of America ("Wildhorse Property"). Consideration for the acquisition is reimbursement of the optionor's costs associated with the acquisition of the property, cash payments totalling an aggregate amount of US$1,000,000, issuance of 500,000 common shares of the Company and exploration expenditures of US$1,000,000 on the property as follows:

- pay US$10,000 (paid) upon signing of the agreement and issue 50,000 common shares forthwith after June 13, 2008, the effective date (issued);
- pay US$30,000, and issue 100,000 common shares on or before June 13, 2009;
- pay US$45,000, issue 150,000 common shares and incur US$150,000 in exploration expenditures on or before June 13, 2010;
- pay US$75,000, issue 200,000 common shares and incur US$200,000 in exploration expenditures on or before June 13, 2011;
- pay US$80,000 and incur US$200,000 in exploration expenditures on or before June 13, 2012;
- pay US$100,000 and incur US$200,000 in exploration expenditures on or before Jun 13, 2013;
- pay US$120,000, and incur US$250,000 in exploration expenditures on or before June 13, 2014;
- pay US$140,000 on or before June 13, 2015; and
- pay US$400,000 on or before June 13, 2016.

Pursuant to the agreement the Company may purchase up to one half of the NSR for US$2,000,000 for each 1% of the royalty purchased (total of $3,000,000 for the entire 1.5%). During the term of the Wildhorse option agreement, the Company is responsible for maintaining the claims in good standing, including paying required taxes, fees and rentals, and completing necessary assessment work.

During the nine months ended February 28, 2009, the Company posted a reclamation bond of $11,441.

During the year ended May 31, 2008, the Company staked an additional 32 claims.

On August 29, 2007, the Company entered into a Purchase and Sale Agreement with Nevada Lands & Resource Company, whereby the Company acquired 160 acres of land in Pershing County, Nevada, for a purchase price of US$32,000. The Wildhorse Property now consists of a combined total acreage of 1,564.88 acres.

***Proposed Exploration Program***

Two exploration programs were completed on the property in 2007, a new CSAMT geophysical survey and a 110 rock chip sampling program. Zonge Geophysics completed a 12.6km CSAMT survey on seven east-west oriented lines. After reviewing the results, and other historical data available on the property, a two-phase exploration program has been recommended for the Wildhorse property. A full and detailed review of all historic data is recommended as part of the next phase of work. It is also recommended that the Company enter all the historic data into an electronic database in order to determine if any trends exist in the old anomalous drill results and to help with the interpretation and selection of future areas to drill. A first phase of reverse circulation drilling (RC) is recommended, the location of which is to be determined by detailed mapping, rock sampling (and soil sampling where overburden dictates) along grid lines that cross the structures interpreted in the geophysical survey, within the area already defined as the most prospective on a reconnaissance scale. The objective of this work is to define which of these structures, based on geology (alteration) and geochemistry represents the best target as conduits of mineralization. While actual values at surface are not likely to be economical, the systematic sampling and mapping will enhance the ability to distinguish which structure has the most potential to have mineralization in favourable horizons at depth, based on the theory that there would have been leakage of mineralized fluids along the faults. Phase I as proposed, is estimated to cost US$374,000.

A second phase of reverse circulation drilling (RC) would be conducted contingent upon favourable results of the first phase and the composite data from the first phase. The location of these Phase II holes would be identified as Phase I was being completed. These drill holes would be based on all previous drilling in Phase I. It is also recommended that the Company complete a small diamond drilling program in any anomalous areas detected in Phase I and Phase II which would allow the Company to view faults, or other rock textures not evident in the RC drilling. Current drilling in the district is reported to be deep with pre-collared holes being installed to depths ranging from 500-4000 feet. This is indicative of the possibility that recorded near-surface mineralization or surface anomalies are the result of leakage upward along favourable structures, from a deep-seated source that could be enriched in gold as is typical of the known deposits in the Nevada gold trends. Phase II as proposed, is estimated to cost US$700,000.

The Company has paid the annual mining claim maintenance fees to the Nevada State Office of the Bureau of Land Management ("BLM") on August 8, 2008 for the period ending September 1, 2009; as well as timely recorded the annual Notices of Intent to Hold the mining claims with the county Recorder's office.

During the 2008 field season, the Company developed conceptual drill targets by reviewing the existing historical data, reports and 2007 information previously described to locate the sites of the previous drilling and sample sites where the more anomalous gold samples were collected. Work in the field identified areas where the geophysical survey indicated major structures and areas of high resistivity and a greater understanding of the lithology and structural geology of the area. In addition there were more samples taken from both outcrops and prospects and some plotting of bedding attitudes and fault traces as well as geologic mapping.

A 10 hole drilling program was developed from observations made in the field with consideration of the results of the CSAMT survey and the work done by Kuzma in 2007. The Notice of Intent to conduct exploration activities was submitted and approved by the district office of the BLM and the reclamation bond in the amount of $11,441was posted with the BLM. The conceptual model for the drill program is anomalous mineralization and pathfinder geochemistry seen associated with recognized structures being targeted representing leakage from a deeper, stronger system involving more favorable host rock, and can be encountered at a reasonable drilling depth. Although the drilling program was diligently identified based upon historic information and 2007 and 2008 field results, the current economic situation does not warrant drilling the targets at this time. Management has elected to defer any non essential exploration expense and has suspended any further work on the property at this time in order to preserve working capital. Management is continuing to assess the junior exploration market condition in an effort to coordinate the progress of the exploration program with the resurgence of the industry as well as recognize potential opportunity in the current environment.

***Resource Property – Right of First Refusal Properties ("R.O.F.R")***

Pursuant to a right of first refusal agreement on September 1, 2006 (the "ROFR Agreement") with a director of the Company (the "Optionor"), the Company entered into an agreement to have the first right of refusal to acquire up to 172 claims in various counties in the State of Nevada, as listed below (the "ROFR Properties"). Under the terms of the ROFR Agreement, the Company, as optionee, was granted the sole right and option to purchase the ROFR Properties in consideration of the Company reimbursing all acquisition costs including filing fees, holding fees, staking costs, and other costs directly associated with the acquisition of the ROFR Properties. The Optionor agreed to determine the terms of the purchase by August 31, 2009 on agreement that the Company would maintain the claims in good standing. The ROFR Properties are comprised of 172 claims as follows:

- Antelope Springs Project in Pershing County, Nevada, comprised of 24 claims;
- Willow Project in Pershing County, Nevada, comprised of 6 claims;
- Buckhorn East Project in Eureka County, Nevada, comprised of 52 claims;
- Fencemaker Project in Pershing County, Nevada comprised of 37 claims;
- Kennedy North Project in Pershing County, Nevada comprised of 13 claims;
- Rangefront Project in Humboldt County, Nevada comprised of 9 claims;
- Rosial Project in Pershing County, Nevada comprised of 23 claims; and
- Spring City Project in Humboldt County, Nevada comprised of 8 claims

The Company has paid the annual mining claim maintenance fees to the Nevada State Office of the Bureau of Land Management on August 8, 2008 for the period ending September 1, 2009; as well as timely recorded the annual Notices of Intent to Hold the mining claims with the respective county Recorder's offices. Preliminary field reconnaissance work has begun on the properties. Historic and regional geologic information was reviewed followed by an initial site visit to each property. An initial surface sample program was conducted and assayed. Follow up sampling and mapping may be conducted on those properties of interest with the objective to identify a geologic model and develop drill targets for eventual testing.

The eight claim blocks are not contiguous; and represent eight separate opportunities or projects. The Company has the opportunity to review and analyze each of the eight claim blocks, and determine which, if any, it wishes to acquire or option. The Optionor has limited historical data pertaining to certain of the claim blocks.

***Resource Property – Other Properties***

The Company expended $21,414 in the year ended May 31, 2008 covering filing and recording fees for 52 unpatented lode mining claims located within the White Mountains in eastern Esmeralda County, Nevada. The claims encompass an exploration phase project acquired for its potential to yield high grade mineralization within the volcanic hosted low sulfidation gold/silver vein system in the Walker Lane structural trend. Preliminary field work was conducted to assess and identify initial drill sites. The Company has paid the annual mining claim maintenance fees to the Nevada State Office of the Bureau of Land Management on August 8, 2008 for the period ending September 1, 2009; as well as timely recorded the annual Notices of Intent to Hold the mining claims with the respective county Recorder's offices.

Pursuant to a mineral property lease agreement ("Lease Agreement") dated November 1, 2008, with a group of individuals, including a director of the Company, the Company may acquire a 100% undivided interest, subject to a 3%-4% NSR (dependant on the price of Gold exceeding US$700 per ounce), in 24 mining claims located in San Bernardino County, California, United States of America ("Sacramento property"). Consideration for the acquisition was reimbursement of US$3,207 for 2008 mining claim maintenance fees (paid), and future mining claim maintenance fees in addition to the annual cash payment as follows:

- pay US$5,000 annually from November 1, 2010 to 2013;
- pay US$7,500 annually from November 1, 2014 to 2018;
- pay US$75,000 annually from November 1, 2019 onward;.

The claims were acquired for their potential disseminated gold mineralization in a brecciated zone between a well defined basal detachment fault and a less well defined upper detachment fault. The mineralization is reported to be associated with two mica granites which grade into higher grade quartz veins locally. No field work has been conducted on the property. One of the directors is a 25% owner of the mining claims.

***<u>Property Expenditures Summary</u>***

The Company is a venture issuer that has not had revenue from operations. The Company has capitalized all expenditures relating to the exploration of its mineral properties. Details of deferred expenditures for the properties are as follows:

| | | **Cumulative February 28, 2009** | | Cumulative May 31, 2008 |
|---|---|---|---|---|
| **<u>Wildhorse - Actual Expenditures</u>** | | | | |
| Acquisition costs | **$** | **52,991** | $ | 43,991 |
| Assays & cores | | **8,130** | | 4,709 |
| Claim & maintenance fees | | **34,006** | | 23,056 |
| Consulting fees (Geological) | | **85,218** | | 41,978 |
| Field work & supplies | | **7,169** | | 6,715 |
| Mapping & reports | | **3,407** | | 3,407 |
| Sampling & surveying | | **72,391** | | 69,730 |
| Staking | | **3,625** | | 3,625 |
| Vehicles | | **185** | | 185 |
| | | **267,122** | | 197,396 |

| | **Cumulative February 28, 2009** | Cumulative May 31, 2008 |
|---|---|---|
| **Right of First Refusal - Actual Expenditures** | | |
| Assays & cores | **1,602** | - |
| Claim & maintenance fees | **84,699** | 51,846 |
| Consulting fees (Geological) | **82,436** | 28,686 |
| Field work & supplies | **6,922** | 5,032 |
| Vehicles | **4,116** | 1,967 |
| | **179,775** | 87,531 |
| **Others - Actual Expenditures** | | |
| Claim & maintenance fees | **21,414** | 21,414 |
| | **21,414** | 21,414 |
| Total Resource Properties | **$ 468,311** | $ 306,341 |

### 1.4.3 Results of Operations

The loss for the nine months ended February 28, 2009 was $218,160 (February 29, 2008 - $126,494). The details of the expenses are as follows:

| | **Nine months ended February 28, 2009** | Nine months ended February 29, 2008 |
|---|---|---|
| Accounting and audit fees | **$ 9,400** | $ 12,318 |
| Amortization | **3,646** | 1,921 |
| Bank charges and interest | **818** | 627 |
| Consulting fees | **28,440** | 22,500 |
| Corporate & administration fees | **28,700** | 8,650 |
| Filing fees | **21,481** | 7,022 |
| Insurance | **8,445** | - |
| Legal fees | **17,624** | 6,225 |
| Management fees | **36,000** | 36,000 |
| Office and miscellaneous | **33,495** | 13,651 |
| Rent | **15,844** | 18,131 |
| Shareholder communications | **9,168** | 5,698 |
| Foreign exchange loss | **10,667** | (465) |
| Interest and investment income | **(5,568)** | (5,784) |
| Net loss for the period | **$ 218,160** | $ 126,494 |

The Company completed its private placement financing in the period and became a public issuer on June 13, 2008. Corporate and administration costs and legal fees increased by $20,050 and $11,399, respectively, compared to the comparative period for the prior year, due to costs related to its listing on CNSX, completing the private placement, the issuer's filing requirements, the annual updated Listing Statement, and the May 2008 year end reports. Office expenses increased $19,844 with increased activities at head office and costs related to the Company's field operations. In the comparative period, the Company incurred only minimal costs as a start-up company, and activities did not get underway until the latter part of 2007.

***Invest Relations Activities***

During the nine months ended February 28, 2009, the Company responded to investor inquiries. There were no formal investor relations agreements in place.

***Financings, Principal Purposes & Milestones***

On June 5, 2008, the Company completed a private placement of 6,650,000 shares at $0.18 a share for gross proceeds of $1,197,000. As at May 31, 2008, $792,720 of this financing was completed and 4,404,000 shares were issued and the remaining 2,246,000 shares were issued on June 5, 2008, during the period, for proceeds of $404,280.

A secondary financing of 575,000 shares was arranged and completed during the current period, under the same terms as the previous private placement, at $0.18 per share for gross proceeds of $103,500.

Finders' fees in the aggregate amount of $78,811 were paid to certain agents for a portion of the financings.

## 1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the six most recently completed quarters and the year ended May 30, 2007 for which financial information is available:

| | Q3<br>28-Feb-09 | Q2<br>30-Nov-08 | Q1<br>31-Aug-08 | Q4<br>31-May-08 |
|---|---|---|---|---|
| Net Loss: | | | | |
| Total | $69,042 | $64,315 | $84,803 | $82,114 |
| Per share | | | | |
| - basic and diluted | $0.00 | $0.00 | $0.01 | $0.01 |

| | Q3<br>29-Feb-08 | Q1<br>31-Aug-07 | Year-ended<br>30-May-07 |
|---|---|---|---|
| Net Loss: | | | |
| Total | $57,310 | $32,768 | $126,919 |
| Per share | | | |
| - basic and diluted | $0.01 | $0.00 | $0.02 |

***Discussion***

For the discussion on the nine months ended February 28, 2009, please refer to Section 1.4 Results of Operations.

## 1.6 Liquidity

In management's view, given the nature of the operations, which currently consist of agreements covering resource properties, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can determine whether its resource properties contain reserves which are economically recoverable.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company does not expect to receive significant income in the foreseeable future.

As at February 28, 2009, the Company had working capital of $748,644 which is adequate to meet the Company's working capital needs over the next 12 months or more. The Company completed financings during the period for the issuance of 2,821,000 common shares for gross proceeds of $507,780.

Subsequent to February 28, 2009, the Company completed a Business Combination with an inactive Ontario corporation whose significant assets at the closing date consisted of cash and near-cash investments with a net value of approximately $2,463,100, see Section 1.4.1.

In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired.

## 1.7 Capital Resources

The capital resources of the Company are the mineral properties, with historical costs of $468,311 and equipment and leaseholds of $16,357 as at February 28, 2009. The Company is committed to further expenditures on the properties, as detailed in Section 1.4 Results of Operations.

## 1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed. The Company has optioned its mineral properties from a private company controlled by a director of the Company.

## 1.9 Transactions with Related Parties

The Company incurred the following costs with a director and companies controlled by directors and a former director of the Company:

| | | **Nine months ended February 28, 2009** | | Nine months ended February 29, 2008 |
|---|---|---|---|---|
| Consulting fees | **$** | **22,500** | $ | 22,500 |
| Equipment and leaseholds | | **10,135** | | 1,737 |
| Management fees | | **36,000** | | 36,000 |
| Office and telephone | | **14,096** | | 2,189 |
| Rent | | **12,844** | | 18,131 |
| Resource properties | | **72,064** | | - |
| | **$** | **167,639** | $ | 80,557 |

During the period, the Company issued 50,000 shares, valued at $0.18 per share, to a director with respect to a mineral property agreement.

These expenditures were measured by the exchange amount, which are the amounts agreed upon by the transacting parties.

Included in accounts payable and accrued liabilities at November 30, 2008 is $Nil due to a director for geological consulting fees (May 31, 2008 - $39,000).

Included in prepaid expense and deposits is $2,500 (May 31, 2008 - $2,500) paid to a company controlled by a director for rent and administrative expenses and $4,200 paid to a former director as an advance on management fees (May 31, 2008: $Nil).

## 1.10 Third Quarter

The third quarter results do not differ significantly from other recent quarters. See Section 1.4 for discussion of expenses.

## 1.11 Proposed Transactions

N/A

## 1.12 Critical Accounting Estimates

Resource Properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available, if any. Management reviews the carrying value of mineral properties on an annual basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Stock-based Compensation

The standard requires that all stock-based awards be measured and recognized in these financial statements using a fair value based method such as the Black-Scholes option pricing model. The fair value of stock options granted to non-employees is re-measured on each balance sheet date. Compensation expense for employees is generally amortized using the straight-line method over the period from the grant date to the date the options vest. The Company has not granted any stock options to date.

## 1.13 Changes in Accounting Policies Including Initial Adoption

Recent CICA Handbook revisions include Section 1506, Accounting changes, Section 1400, Assessing Going Concern, Section 1540, Cash Flow Statements, Section 3064, Goodwill and Intangible Assets, Sections 3862 and 3863, Disclosure and Presentation on Financial Instruments and Section 1535, Capital Disclosures.

Also effective for year-ends commencing on or after January 1, 2011, all public companies will be required to adopt International Financial Reporting Standards.

The Company does not expect the adoption of these new Sections to result in any significant change in the disclosure within the current financial statements except for the capital disclosure requirements of Section 1535, which are applicable for periods commencing June 1, 2008, as follows:

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended February 28, 2009. The Company is not subject to externally imposed capital requirements.

## 1.14 Financial and Other Instruments

The carrying value of the Company's financial instruments, consisting of cash and cash equivalents, prepaid expenses and deposits and accounts payable and accrued liabilities approximates their fair values due to the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The recoverability of amounts from the properties will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreements and to complete the development of the properties and upon future profitable production or proceeds from the sale thereof. The outcome of these matters cannot be predicted with any certainty at this time.

## 1.15 Other

### 1.15.1 Disclosure of Outstanding Share Capital as at February 28, 2009:

| | Number | Book Value |
|---|---|---|
| Common Shares | 13,875,000 | $ 1,619,458 |
| Contributed Surplus | - | $ 178,982 |

As at February 28, 2009, there were no outstanding stock options and warrants.