PACIFIC COMOX RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTH PERIOD ENDED JANUARY 31, 2008
(Form 51-102F1)

General

The following discussion (the "MD&A") of the financial condition and results of operations of Pacific Comox Resources Ltd. (the "Company" or "Pacific Comox") constitutes management's review of the factors that affected the Company's financial and operating performance for the three month period ended January 31, 2008. The MD&A was prepared as of March 27, 2008 and should be read in conjunction with the Audited Consolidated Financial Statements for the fiscal years ended October 31, 2007, and the Company's Audited Consolidated Financial Statements for the fiscal year ended October 31, 2006 and notes thereto. Unless otherwise indicated, the following discussion is based in Canadian dollars and presented in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The information contained in this Management's Discussion and Analysis is dated March 27, 2008.

The Company's public filings can be accessed and viewed through the Company's website www.pacificcomox.com. A link to the Company's Canadian Securities Commissions filings can be viewed via the System for Electronic Data Analysis and Retrieval (SEDAR) at www.sedar.com.

Description of Business
Pacific Comox is engaged in mineral exploration and development and the present focus of its operations is mineral exploration in Canada and in Mexico.

RYAN LAKE PROPERTY
On March 16, 2005 the Company acquired a two year option to acquire the Ryan Lake copper-molybdenum property and mill located near Matachewan, Ontario. The property consists of 10 claims totaling 513 acres. Ryan Lake Mines Ltd. staked the property in 1947 and put it into production in 1950 at a 150 ton/day rate with a shaft sunk to 459 feet with development on 4 levels. The development extended for 1,000 feet on an east-west direction and about 500 feet north-south. The J. F. Ariz report dated October 20, 1978 gave the production during the 1950-1957 period as 163,490 tons grading 1.5% copper, 0.008 oz of gold and 0.21 oz of silver. A successor Company was also reported to have mined 6,000 tons grading 1.3% copper and 0.4% molybdenite in 1964. No production or significant exploration is reported on the property since 1966.

To acquire a 100% interest in the mining rights of the property, Pacific Comox over the two year period would make cash payments of C$600,000, issue 2,000,000 shares to the Vendors and fulfill a $300,000 work commitment. The Vendors retain a 1% NSR and Pacific Comox may purchase 50% of the NSR for $1,000,000 in the period expiring two years after commercial production is attained. Under the Option Agreement Pacific Comox could also acquire the mill building located on the property and certain equipment for C$100,000.

On November 17, 2006 Pacific Comox exercised its option to accelerate the fulfillment of the terms of the March 2005 Option Agreement to acquire the Ryan Lake property and mill. In addition to the work commitment on the Ryan Lake claims, which had been satisfied, Comox paid the vendors the remainder of the Option payments of about $262,000.00, issued 1,500,000 common shares to the vendors. The claims have been transferred to Pacific Comox and Pacific Comox is updating the Closure Plan and other permits for the property. A Closure Plan for the Ryan Lake claims is expected to be submitted for approval in April, 2008.

The mill which is currently processing barite is expected to be a major asset going forward to facilitate the resumption of copper/molybdenum production on the property.

Pacific Comox's diamond drilling and sampling on the Ryan Lake property has started to outline 3 areas of drill intersected mineralization. A number of other showings on the claims have not been tested to-date.

The **South Zone,** the area of the former underground copper mine.
The **North Zone**, the area of the former producing molybdenum open pit which is located about 350 meters north of the former underground copper mine.
The **CLT Zone**, area is about 100 meters north of the North Zone.

CLT ZONE
Three of the six holes Pacific Comox drilled on the zone in 2006 reported drill intersected mineralization averaging 0.135% molybdenum (Mo) or 2.70 lbs/ton over 19 metres or 63 feet starting at 9 metres or 28 feet from the collar of the holes.. Further drilling is planned to test and define this zone of drill intersected mineralization.

NORTH ZONE
The former producing molybdenum open pit (the North Zone) is approximately 350 meters north of the underground mine which was in production during the 1950-1964 period. No production or exploration has taken place in this pit area since the 1960's. On March 21, 2005 the Company reported assays for the samples taken on the walls of the former producing molybdenum open pit at the Ryan Lake property for due diligence and to assist in planning the exploration program. A series of two meter chip samples were taken on sections of the west and north walls of the molybdenum open pit.

A series of 2 meter chip samples totaling 24 meters in the syenite porphyry west and north walls of the pit averaged 0.15% molybdenum plus 0.05% copper, 0.01 g/tonne gold and 1.2 g/tonne silver.

All holes have intersected copper and molybdenum mineralization with minor amounts of gold and silver. Of the 30 holes completed in the North Zone by Pacific Comox during 2005-07, 22 holes have reported intervals with an average grade of 2.3 lbs/ton or 0.12 % molybdenum. The average length of the intervals was 36 metres or 118 feet starting at 6 metres or 20 feet in the core. The average copper grade in the intervals was 0.12%.

The results to-date indicate the drill intersected mineralization in the North Zone extends 100 meters NE-SW, 100 meters NW-SE and to a depth of at least 80 meters in the area of the open pit. The potential remains open in all directions and at depth. Further drilling to test & define the zone is planned for 2008.

Robert Hill P. Eng. served as the qualified person (QP) for the sampling and exploration program under the definitions of National Instrument 43-101. The samples were assayed by Swastika Laboratories Ltd. at Swastika, Ontario.

SOUTH ZONE
To March 27, 2008 Pacific Comox has drilled 72 diamond drill holes on the South Zone testing the open pit, bulk-tonnage potential of the of the area mined from underground during the 1950-64 period. The results demonstrated the potential to extend the mineralized zone east and west on strike with the former underground workings and at depth. The 72 diamond drill holes completed by Pacific Comox to-date encompass an area over 250 meters or 820 feet on the East-West strike of the former underground copper mine and extend over an area 250 meters or 820 feet from the former underground mine to the North. The zone is considered to be open in all directions.

The next program will test to expand the mineralized zones areally and to depth.

Robert Hill P. Eng. served as the qualified person (QP) for the sampling and exploration program under the definitions of National Instrument 43-101, reviewed the above mentioned programs and reports, and supervised the drilling program. The geologist on the programs were Murray McGill P. Geo., Dan Crossley P. Eng. and Robert Van Ingen P. Eng.. The split NQ core samples were assayed by AA at Swastika Laboratories Ltd. Swastika Ontario, an accredited laboratory.

MABEL PROPERTY

Pacific Comox optioned the Mabel claims in northern Sonora State, Mexico in 2002 and has now completed the terms to acquire the property. The Mabel property is about a 2 hour drive south from Tucson. The Company is also the owner of one other property in Mexico, the “Famosa Property” also located in northern Sonora State but very little exploration has been done on the Famosa property.

Two drilling campaigns were completed on Mabel during 2007. On September 19, 2007 the assay results were reported for the RC infill drilling program of 56 holes on the Carmelitas and Carmelitas South Zones. Including all holes previously reported Comox has 73 mineralized holes in the Carmelitas North, Carmelitas, and Carmelitas South Zones averaging 1.7 g/tonne & 61 g/tonne silver over average intervals of 5 meters starting at/near surface in many holes. The Carmelitas Zones encompass an area approximately 330 meters on a northwest-southeast trend and averages about 75 meters wide (see Table 1 below for a summary of the drilling results on three areas of the Mabel property). An additional infill drilling is planned to start soon on the Carmelitas South, the Gate-1910 zone and the Ridge Zone to further test areas where previous drilling has reported encouraging results.

A resource estimate on the Carmelitas and other areas of at/near surface gold-silver mineralization on the Mabel property is planned for 2008.

Table 1: Summary of Mabel Drill Results by Area (Including Previously Reported)

	Number	Thickness	Gold	Silver
Area	Of Holes	(meters)	(g/tonne)	(g/tonne)
Carmelitas Area	73	5	1.7	61
Gate-1910 Zone	14	4	1.3	70
Ridge Zone	10	3	1.7	35
Average		**5**	**1.7**	**60**

In the Micho area Comox previously reported in hole RC-62, 6 meters of 1.5g/tonne gold, and 51g/tonne silver followed by 23 meters of 1.1% oxide copper and 10g/tonne silver. Further drilling is planned to test the gold-silver anomaly previously reported to the west of the Micho drilling as well as more shallow and deeper drilling in the Micho zone area.

Robert Hill P. Eng. serves as the qualified person (QP) for the sampling and exploration programs under the definitions of National Instrument 43-101, reviewed this release and supervises the drilling programs. The geologist on the Mabel program is Cesar Lemas. A split sample is shipped by Company personnel to the ALS Chemex laboratory in Vancouver B.C., an accredited laboratory.

PEPA De ORO PROPERTY

On November 10, 2004 the Company entered into a Letter Of Intent to option the “Pepa de Oro” property in Chile. In February, 2005 the Company paid US$20,000 to the Vendor and had the right to explore the property to November 10, 2005.The exploration work on the property was inconclusive and funding for more work was not available, as a result, the Company’s one year option was terminated when it expired and the Company’s property expenditures of $51,372 were written off in 2005 and $140,000 of property acquisition costs were written off in 2006.

Log Lake Claims Option Agreement

Pacific Comox has signed a preliminary Option Agreement on the “Log Lake Claims” totaling about 3,400 acres contiguous to the northern boundary of the Ryan Lake claims at Matachewan, Ontario. To exercise the 36 month option, the Company will make total cash payments of $180,000, issue 850,000 common shares and fulfill a $235,000 work commitment. The Vendor retains a 2% NSR on all minerals mined or processed. The Company may buy back 1% of the 2% NSR for $1,000,000 at any time. The royalty on precious stone production is 1% of gross sales. Previous exploration on the claims has indicated anomalous copper/molybdenum zones.

The Company is in the process of determining whether its exploration properties contain mineral resources that may be economically recoverable. Pending the availability of funding the Company plans to further explore the properties to determine their economic merit. As a result the Company has no current sources of revenue other than interest earned on cash which is derived from the issuance of common shares in the Company.

Selected Financial Data
The following table provides selected consolidated financial information that should be read in conjunction with the audited consolidated financial statement of the Company.

	October 31, 2007	October 31, 2006	October 31, 2005	October 31, 2004	October 31, 2003
Total Revenue	Nil	Nil	Nil	Nil	Nil
Loss (Income) for the Year	(29,192)	435,150	1,088,091	243,011	(175,022)
Loss per Share	0.00	0.005	0.02	0.00	0.00
Total Assets	5,838,688	4,533,548	1,262,178	1,711,219	967,162
Dividends per Share	Nil	Nil	Nil	Nil	Nil
Total Long-term Debt	Nil	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil	Nil

Results of Operations:
October 31, 2007-2006
For the year ended October 31, 2007 the Company reported a loss before income taxes of $193,168 compared to a loss of $540,150 for 2006 which included a write-down of mineral properties of $281,707. As a result of higher cash balances during 2007 the Company reported interest income $57,579 for the year compared to an expense of $857 in 2006. After allowing for a future tax recovery of $222,360 for 2007, compared to $105,000 for 2006 the Company an income of $29,192 for 2007 compared to a loss of $435,150 for 2006.

General, office and administration were $250,747 for 2007 relatively unchanged from the $257,587 for 2006.

October 31, 2006-2005
The Company's net loss for the year ended October 31, 2006 was $435,150 substantially smaller than the $1,088,091 reported in the previous year as a result of the smaller property write-downs during the period. During the previous year 50% of the carrying value of the Mabel property was written off and all the Pepa de Oro property in Chile for a total write-down of $906,194 compared to $281,707 in 2006.

Administrative expenses accounted for the major share of operating expenses for the year ended October 31, 2006 and increased to $257,586 compared to $180,880 in 2005 and $239,767 for the 2004 period as a result of the higher level of exploration activity and larger financings.

October 31, 2005-2004
The Company's net loss for the year ended October 31, 2005 was $1,088,091 substantially larger than the $243,011 reported in 2004 as a result of a 50% write off of the carrying value of the Mabel property and all the Pepa de Oro property in Chile for a total of $906,194.

Administrative expenses accounted for the major share of operating expenses for the year ended October 31, 2005 and declined to $180,880 from $239,767 for the 2004 period as a result of the lower level of exploration activity.

Summary Of Quarterly Results

The following table gives the summary of quarterly results during the periods indicated. The loss of $54,670 before tax recovery in the current quarter is smaller than the loss of $65,587 in the January 2007 quarter. The net income for the current quarter of $660,330 largely reflects the allowance for future tax recovery of $715,000 in the quarter. There was no tax recovery in the first quarter of 2007.

The increase in the quarterly loss during the second and third quarters of 2007 reflects the increase in exploration activity in Canada and in Mexico.

Quarter (ending)	2008 Jan. 31	2007 Oct. 31	2007 July 31	2007 April 30	2007 Jan. 31	2006 Oct. 31	2006 July 31	2006 April 30	2006 Jan. 31
Revenue	-	-	-	-	-	-	-	-	-
Income (Loss) from continuing operations	(54,670) Before Inc. Tax Rec. of $715,000	50,091 Before Inc. Tax Rec. of $222,360	(68,676)	(110,996)	(63,587)	(239,981) Before Inc. Tax Rec. of $105,000	(238,781)	(27,039)	(34,349)
Income (Loss) per common share basic and diluted	(0.001)	0.001	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)	(0.001)
Net Income (Loss)	660,330	222,360	(68,676)	(110,996)	(63,587)	(134,981)	(238,781)	(27,039)	(34,349)
Net Income (Loss) per common share basic and diluted	0.004	0.002	(0.001)	(0.001)	(0.000)	(0.001)	(0.002)	(0.001)	(0.001)

On December 23, 2005, the Company granted 1,900,000 stock options to its Directors, officers and consultants with an exercise price of $0.12 per share to December 23, 2010.

Mineral Exploration Activities

During the January 31, 2008 quarter expenditures were $381,201 on the Ryan Lake area claims, larger than the $313,915 during the 2007 period mainly as a result of increased surveying and geological consulting expenses (see table below). Expenditures on Mabel were $42,975 during the current quarter compared to only $3,062 during the same 2007 period when the Company was waiting for a drill to be available. During all of 2007 the Company's largest efforts were on the Ryan Lake claims with exploration expenditures of $1,434,784 and acquisition costs of $456,000 on the property. The claims were purchased in November 2006 and all cash and other obligations have been satisfied.

In 2006 Pepa de Oro acquisition and exploration expenditures of $191,372 were written off. There were no expenditures related to the property during the 2007 period.

During 2007 the Company expended $265,256 on exploration for the Mabel property and $81,497 on acquisition costs compared to exploration of $66,603 in 2006 and acquisition costs of $216,810.

As a result of the large expenditures on the Ryan Lake claims in addition to the expenditures on Mabel during the period cumulative deferred expenditures on mineral properties rose to $4,960,654 at January 31, 2008 compared to $4,386,478 at October 31, 2007 after a writedown of $996,528 on Mabel during earlier periods.

Substantial exploration and development expenditures are planned for both Ryan Lake and Mabel during 2008.

Deferred Expenditures - Mineral Properties		
Expenditures Relating to Mabel and LaFamosa, Mexico Property	3 Months ended	3 months ended
	31-Jan-08	31-Jan-07
Acquisition Costs		
Balance - beginning of period	$785,743.00	$704,246.00
Incurred during the period	$0.00	$29,990.00
Balance - end of period	$785,743.00	$734,236.00
Exploration Expenditures		
Assaying	$1,770.00	$3,062.00
Drilling	$0.00	$0.00
Equipment	$2,319.00	$0.00
Geological Consulting	$19,454.00	$0.00
Labour	$7,447.00	$0.00
Mining Taxes	$0.00	$0.00
Road Construction	$0.00	$0.00
Support Services	$7,965.00	$0.00
Supplies	$4,020.00	$0.00
Surveying	$0.00	$0.00
	$42,975.00	$3,062.00
Balance - Beginning of Period	$1,554,067.00	$1,288,811.00
Balance - End of Period	$1,597,042.00	$1,291,873.00
Cumulative Deferred Expenditures on Mineral Properties (Before Write-Down)	$2,382,785.00	$2,026,109.00
Cumulative Writedown - Beginning of Period	($996,528.00)	($996,528.00)
Writedowns during the period	$0.00	($16,526.00)
Cumulative Writedown - End of Period	($996,528.00)	($1,013,054.00)
Cumulative Deferred Expenditures on Mineral Properties	$1,386,257.00	$1,013,055.00
Expenditures Relating to Pepa Doro, Chile Property		
Acquisition Costs		
Balance - beginning of period	$165,648.00	$165,648.00
Incurred during the period	$0.00	$0.00
Balance - end of period	$165,648.00	$165,648.00
Exploration Expenditures		
Consulting	$0.00	$0.00
Balance - Beginning of Period	$25,724.00	$25,724.00
Balance - End of Period	$25,724.00	$25,724.00
Cumulative Deferred Expenditures on Mineral Properties	$191,372.00	$191,372.00
Cumulative Writedown - Beginning of Year	($191,372.00)	($191,372.00)
Writedowns during the period	$0.00	$0.00
Cumulative Deferred Expenditures on Mineral Properties	$0.00	$0.00
Expenditures Relating to Ryan Lake and Log Lake , Matachewan, Ontario Property		
Acquisition Costs		
Balance - beginning of period	$1,044,000.00	$588,000.00
Incurred during the period	$0.00	$367,000.00
Balance - end of period	$1,044,000.00	$955,000.00
Exploration Expenditures		
Assaying	$32,609.00	$36,698.00
Geological Consulting	$86,458.00	$31,930.00
Travel/Hotel/Meals/Miscellaneous	$24,969.00	$7,741.00
Drilling	$171,496.00	$223,462.00
Supplies	$4,217.00	$0.00
Equipment	$24,611.00	$14,084.00
Closure Plan	$9,188.00	$0.00
Surveying	$27,193.00	$0.00
Permitting	$460.00	$0.00
Property taxes	$0.00	$0.00
	$381,201.00	$313,915.00
Balance - Beginning of Period	$2,149,196.00	$564,412.00
Balance - End of Period	$2,530,397.00	$878,327.00
Cumulative Deferred Expenditures on Mineral Properties	$3,574,397.00	$1,833,327.00
	$4,960,654.00	$2,846,382.00

Liquidity and Capital Resources
The Company's cash position at January 31, 2008 was $2,602,538 increased from the October 31, 2007 position of $759,318 as a result of the $2.5 million financing completed during the quarter.

On December 23, 2005, the Company completed and received approval from the TSX, on a private placement for $351,000 comprised of $321,000 Flow-Through Units and $30,000 Common Share Units. Each Flow-Through Unit consist of one flow-through common share and one-half of one common share purchase warrant exercisable at $0.10 per common share to June 23, 2007. A director of the Company subscribed for 600,000 Common Share Units.

The March 2005 option payment on Mabel was made in January 2006 and the July and October payments were made in July 2006. As a result of the option payments not being made the carrying value of the Mabel property was reduced by 50% at October 31, 2005.

Pacific Comox reported on June 14, 2006 the closing of a brokered private placement of approximately 37.2 million common share units ("CS Units") of the Company at a price of C$0.07 per CS Unit for proceeds of approximately $2.6 million and approximately 11.8 million 'flow through' units ("FT Units") at a price of C$0.09 per FT Unit for proceeds of approximately $1.1 million. Each CS Unit consisted of one common share and one common share purchase warrant (a "Warrant") which entitles the holder to purchase one additional common share of the Company ("Warrant Shares") at an exercise price of C$0.10 per Warrant Share until June 12, 2008. Each Flow-Through Unit consisted of one 'flow through' common share and one Warrant. Any Warrant Shares issued on exercise of the Warrants will be non 'flow-through' shares. The CS Units and FT Units are, and any Warrant Shares issued under the Offering would be subject to a four month hold period to October 13, 2006.

The agent for the financing was Dominick & Dominick Securities Inc. (the "Agent"). The Agent received a commission equal to 8% of the gross proceeds raised. In addition, the Company issued to the Agent Broker Warrants entitling the Agent to purchase, for C$0.10 per CS Unit until June 12, 2008, a total of 4,894,256 CS Units (being 10% of the number of all Units in the financing). Any Common Shares, Warrants and Warrant Shares issued on the exercise of the Broker Warrants would be subject to a four month hold period to October 13, 2006.

Pacific Comox announced the Closing of non-brokered private placements of C$300,000 on December 21, 2006. The financing was in the form of units consisting of one flow-through share and one-half share purchase warrant. A warrant is exercisable for one common share at C$0.12 for one year from closing. Each unit was priced at C$0.10. The securities will be subject to a four month hold period from the date of closing. A finder's fee of 8% was payable on $155,000 of the Units. Directors of the Company subscribed for C$112,500 of the financing.

On November 30, 2007, the Company closed a private placement of $2,551,101. The financing was in the form of units consisting of a flow-through share and one-half of one share purchase warrant and was at $0.11 per unit. One full purchase warrant entitles the buyer to purchase one common share at $0.15 until November 30, 2008. A finder's fee of $122,000 was payable on the units. Directors of the Company subscribed for $275,000 of the financing. The funds raised will be used to advance the exploration program at Ryan Lake copper-molybdenum properties near Matachewan, Ontario.

The Company is using the net proceeds of the financings to diamond drill and develop its Ryan Lake copper-molybdenum properties near Matachewan, Ontario and working capital.

Additional funding is required for the Company to delineate resources and/or reserves on its properties, complete scoping/feasibility studies and move the properties into production.

The Company has been successful in accessing the equity markets in the past and while there is no guarantee that this will continue to be available, management has no reason to expect that this capability will diminish in the near term.

Off-Balance Sheet Arrangements
The Company has no material off-balance sheet arrangements, no material capital lease arrangements and no long-term debt obligations.

Transactions With Related Parties
During the first quarter of 2008 and during the same period of 2007 the Company paid consulting fees of $22,500 to an officer of the Company. The Company has reimbursed certain directors for corporate and exploration costs paid directly by the directors. These expenses were at cost and aggregated approximately $169,000 during 2007 and $138,485 during 2006. At January 31, 2008 the Company reported $497 due from an officer compared to $1,103 at October 31, 2007. During the first quarter of 2008 rent of $2,483 was paid to a corporation under common management compared to $2,630 during the same period of 2007.

Pacific Comox at January 31, 2008 was owed $300,807 by a company which has one person in common management compared to $290,845 at October 31, 2007.

Administration Expenses In 2008 And In 2007
The administration expenses in the 2008 period were $56,012 slightly increased from the $52,542 during 2007. Lower legal, travel and investor relations were offset by a foreign exchange loss of $7,510 higher stock exchange fees due to the financing and higher transfer fees. Investor relations declined to nil in 2008 compared to $7,950 in 2007 but this decline is expected to be reversed later in 2008. Other expenditures were relatively unchanged.

Administration Expense Summary		
31-Jan-08		
	3 Months ended	3 months ended
	31-Jan-08	31-Jan-07
Administration		
Amortization	$104.00	$157.00
Consulting fees	$13,500.00	$13,500.00
Foreign exchange gain/loss	$7,510.00	$670.00
Investor relations	$0.00	$7,950.00
Legal fees	$1,785.00	$5,092.00
Office supplies and services	$8,239.00	$7,418.00
Press and news releases	$1,777.00	$2,593.00
Proxy report and mailing	$13.00	$0.00
Printing expense	$0.00	$453.00
Rent	$2,483.00	$2,630.00
Stock exchange and filing fees	$15,271.00	$2,500.00
Transfer agent fees	$4,633.00	$1,610.00
Telephone	$352.00	$334.00
Travel	$345.00	$7,635.00
	$56,012.00	$52,542.00

Critical Accounting Estimates
The Company's accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its mineral properties and from a Company with some common management. Both of these estimates involve considerable judgment and are, or could be affected by significantly factors that are out of the Company's control.

Future Income Taxes
The Company uses the asset and liability method in accounting for income taxes. Under this method of tax allocation, future income and mining tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the year in which the change is enacted or substantively

enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Foreign Currency Translation

The accounts of the Company's foreign operations are considered to be integrated and are translated into Canadian dollars using the temporal method. Foreign currency transactions of the Company and its integrated subsidiaries are translated into Canadian dollars at the rates prevailing on the dates of the transactions. Realized and unrealized exchange gains and losses resulting from foreign currency transactions are included in current earnings. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the end of the accounting period and any gains or losses are included in current earnings. Non-monetary assets are translated at the rates of exchange prevailing when the assets were acquired.

Changes In Accounting Policy

See note 2 for change in adopted standards for asset retirement obligations which have no significant current effect on the Company.

Evaluation of Disclosure Controls

As required by Multilateral Instrument 52-109, management carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of October 31, 2007. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by disclosed by the Company to satisfy its continuous disclosure obligations, and are effective in ensuring that information required to be disclosed in reports that the Company files is accumulated and communicated to management as appropriate to allow for timely decisions regarding required disclosure.

Other MD & A Requirements

The Company's authorized share capital is an unlimited number of common shares at October 31, 2007 and at October 31, 2006. On June 17, 2005 the Company filed new Articles under the B. C. Business Corporations Act. The authorized share structure was changed at that time to no maximum number of common shares.

At January 31, 2008 the Company had 171,535,655 shares outstanding compared to 148,343,828 shares at October 31, 2007.

At January 31, 2008 the Company had 60,672,721 warrants outstanding increased from 50,576,807 at October 31, 2007, 49,076,807 have an exercise price of $0.10 and expire at June 12, 2008, 11,595,914 have an exercise price of $0.15 and expire November 30, 2008. The Company has 4,200,000 options outstanding with an exercise price of $0.12, 2,300,000 expire May 27, 2008 and 1,900,000 expire on December 23, 2010.

Directors & Officers

Donald Empey – Director, President and CFO,
James Janzen – Director, V-P Exploration,
Marvin Wolff – Director
Brent Johnson – Director

Trends

The market conditions for resource explorations companies have been difficult for many periods during the past ten years. Consequently, it has at times been difficult for such companies to raise funding for the acquisition of exploration properties, exploration programs on properties and for general administration costs. There is no certainty that these conditions which have improved greatly during 2005 to 2008 will remain favorable over the next fiscal year. However, with higher gold and base metal prices there is renewed optimism that conditions will remain favorable for the industry.

Higher gold and base metal prices, combined with a favorable investment climate, will have a positive effect on our future efforts to raise money for future exploration on our properties.

Risk Factors
If exploration and development programs are successful, additional funds will be required for further exploration and development work to identify an economic ore body or to bring any such ore body to production. The only source of future funds available to the Company is through the sale of additional equity capital or borrowing the funds. There is no assurance that such funds will be available to the Company. Even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or providing the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial condition.

Outlook
During 2008 the Company will focus its exploration efforts on the Ryan Lake copper-molybdenum property in Ontario, the Mabel property in Mexico, and will examine other properties which may be available to be optioned by the Company.

The funds required to explore the properties and fund the Company's general and administrative expenses are expected to be raised through the exercise of existing warrants, private placements and other public financings.

Subsequent Events
None

Forward Looking Statements
The above comments contain forward looking statements that are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Factors that could cause such differences include: changes in world gold and base metal markets, equity markets, costs and supply of materials relevant to the mining industry, changes in government policy, and changes to regulations affecting the mining industry. Although we believe the expectations reflected in our forward looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements.