

DECADE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
for the three months ended July 31, 2009

Introduction

Decade Resources Ltd. (“the Company”) is a TSX Venture Exchange listed company. The Company is in the exploration stage and is engaged in the acquisition and exploration of mineral properties in British Columbia. The Company also holds an oil and gas drilling licence in British Columbia.

This discussion and analysis of financial position, results of operations and cash flows of Decade Resources Ltd. for the three months ended July 31, 2009 includes information up to and including September 14, 2009 and should be read in conjunction with the Company’s interim financial statements for the three months ended July 31, 2009 and the Company’s annual audited financial statements for the year ended April 30, 2009. The interim financial statements for the three months ended July 31, 2009 have been prepared in accordance with accounting policies consistent with those used in the audited financial statements for the year ended April 30, 2009. All dollar figures are in Canadian dollars.

For additional information, the reader is encouraged to review the Company’s statutory filings on www.sedar.com.

Disclosure Controls and Procedures & Internal Controls Over Financial Reporting

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company’s board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The audit committee meets with management to review the financial statements and the MD&A, and to discuss other financial, operating and internal control matters.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute “forward-looking statements”. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties set forth in this MD&A.

The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

Overall Performance

Mineral Properties:

Red Cliff

On November 19, 2008, the Company entered into an option agreement with a company with directors in common with the Company to acquire up to a 60% interest in the Red Cliff property. In order to earn the 60% interest the Company must incur exploration expenditures on the property of \$500,000 in the first year, \$500,000 in the second year and \$250,000 in the third year.

To July 31, 2009, the Company has incurred exploration expenditures totalling \$293,718. During the three months ended July 31, 2009, the Company incurred exploration and development expenditures on the Red Cliff property totalling \$284,448.

The Red Cliff is a gold/copper property consisting of eight mineral claims situated in the Skeena Mining division north of the town of Stewart, British Columbia. Seven known zones of copper-gold and/or gold mineralization occur on the property. The two main zones include the Red Cliff and the Montrose/Waterpump zones. The Red Cliff zone contains 2,300 metres of underground development on 5 levels over a height of several hundred meters with limited Cu-Au production reported in 1910-12 and 1973. From 1910 to 1912, production from the Red Cliff zone amounted to approximately 1,136 tonnes estimated to average 5% Cu. In 1972, some 3,776 tonnes of ore was sent to a local mill. The only reserve estimate reported for the Red Cliff zone was in 1912 showing a total of 18,900 tonnes averaging 3.19% Cu and 2.86 grams per tonne gold. This estimate was only for broken mineralized material within a stope on one of the levels in the mine. This estimate is historical and is not 43-101 compliant and is used for reference purposes only.

On the Montrose zone, in 1939 – 1941, there were 65 tons mined averaging 69.27 grams/tonne gold, (2.45 ounces per ton Au (opt)), 83.4 grams/tonne silver (2.95 opt Ag), 0.91% Cu, 3.5% lead and 4.41% zinc. Work in this area during a previous operator's surface sampling programs yielded 19.31 g/t Au over 2.43 m and 7.93g/t Au over 3.81 m. In 1988, the Waterpump zone, which represents the south fault extension of the Montrose Zone was sampled. It is located approximately 50 meters south of the 1939-1941 mining area. A trench over the zone gave values consisting of 21.37 g/t Au over 4.2 m and 6.89 g/t Au over 3.3 m with 2.0 m of dyke between the values. Across the entire zone including the dyke, the sampling yielded an average of 12.07 g/t Au over 8.5 m.

The Company recently commenced surface exploration on the Red Cliff property and received the necessary government permits to commence drilling on the property. A minimum 5,000 metre diamond drill program is planned which is designed to extend the Montrose zone both north and south of its present defined strike length.

Diamond drilling has intersected wide zones of gold mineralization in an extension to the bonanza gold bearing Montrose zone on the Red Cliff property. Locally fine visible gold is associated with a stockwork of quartz-chalcopyrite-pyrite stringers occurring along a 30 meter wide shear zone. Strong disseminated and fracture filled pyrite mineralization as well as galena-sphalerite-visible gold form an envelope to the above stockwork mineralization. The only surface exposures of the Montrose zone occurring along the canyon walls of Lydden Creek are up to 30 meters wide. The present area of drilling is 500 meters north of this exposed zone that was high graded during previous activities. Drilling is ongoing along strike to the north.

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Gold assay results for the first two holes completed in the 2009 program are as follows:

DDH	From (m)	To (m)	Interval Length (m)	Au g/t
Mon-2009-1	29.98	62.50	32.52	7.53
Including	35.77	38.72	2.95	14.89
Including	59.60	62.50	2.90	45.77
Mon-2009-2	57.62	106.10	48.48	4.17

Assay results within the gold bearing zone in DDH-Mon-1 average 26.68 meters of 2.57 g/t gold once intervals of 14.89 and 45.77 g/t gold are excluded. Also in DDH-2009-2, 6.01 meters of 1.92 g/t gold was intersected from 43.9 to 49.91 meters in a parallel zone to that shown above. True width of the zone is unknown at present as gold values are related to both east-west and north-south stringers within the overall north trending zone that is at least 30 meters wide. Assay results for silver and base metals are pending and will be released when available.

On September 3, 2009, the Company announced that pursuant to a second agreement, a public company with directors in common with the Company, has granted the Company the right to earn an additional 20% in the Red Cliff property, increasing the Company's interest to up to 80% in the Red Cliff property. In order to earn the additional 20% interest, the Company will issue 250,000 common shares on signing of the second agreement, spend \$3,000,000 in the two years subsequent to its 60% earn-in, pay \$100,000 within 6 months of signing the second agreement and pay \$500,000 upon earn-in of the 80% interest. The second agreement is subject to filing and regulatory approval.

To September 14, 2009, the Company has completed nine diamond drill holes testing the Montrose zone on the Red Cliff project. Crews are presently completing DDH-Mon-2009-10. Previous work, conducted in 1989, described the Montrose zone as a conformable zone of chlorite-sericite altered tuff with stockwork mineralization consisting of quartz-sulphide and having an overall north striking trend with a vertical to 85 degree dip to the west. The recent work, north of Lydden Creek, previously undrilled, indicates the structure is striking further northwest than first thought. In addition, visual analysis of DDH-Mon-2009-9 indicates a large mineralized intrusive is present below the main mineralized zones.

During this season's program, four holes (DDH-Mon-2009-1 to DDH-Mon-2009-4) were completed on the first pad and were drilled from northeast to southwest such that both east-west-striking and north-south-striking stringer mineralization was intersected along the holes. These holes were also set up to determine the strike and width of mineralization. All of the first holes were stopped short of defining the overall mineralized width, ending in mineralization. DDH-Mon-2009-2 had 11.59 grams per tonne gold in the last interval and DDH-Mon-2009-4 had 7.4 grams per tonne gold over the last drilled interval.

Drill holes DDH-Mon-2009-5 and DDH-Mon-2009-6 are located 30 metres south of the first pad with holes angled southwest to northeast to test for depth and southern extensions of mineralization intersected near the top of the first four holes. The two holes have similar mineralization to that in DDH-Mon-2009-1 through DDH-Mon-2009-4 with a quartz-chalcopyrite-pyrite stockwork carrying local fine visible gold. DDH-Mon-2009-7 and DDH-Mon-2009-8 were drilled 100 metres north of the first pad and were angled northeast to the southwest.

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DDH-2009-9 and DDH-Mon-2009-10 are collared 30 metres north and 15 metres east of DDH-Mon-2009-1 to 4. Both holes are drilled parallel to DDH-Mon-2009-2 (stopped short with end of hole assay results returning 11.59 grams per tonne gold) and to greater depth, to determine the extent of the mineralized zone in the area. Of particular importance, DDH-Mon-2009-9, drilled to 280 metres on a minus 60-degree dip intersected a silicified and heavily pyritized intrusive at depth to the west of and just beneath the indicated gold bearing zone.

Based on drilling to date, the Montrose zone is interpreted as being 20 to 30 metres in width with a northwest strike conformable to the overall mineralized trend in the Stewart region. Sections and drill locations will be posted on the website which is under construction.

Recent fieldwork by Decade has identified premier porphyry rocks on the property. The premier porphyry rocks are associated with the mineralization of the Silbak Premier mine located eight kilometres from Red Cliff on the west side of the Bear River Ridge. The Red Cliff property is on the east side of the ridge. The Silbak-Premier mine has produced over two million ounces of gold.

Gold assay results for the second two holes completed in the 2009 program are as follows:

DDH	From (m)	To (m)	Interval Length (m)	Au g/t
Mon-2009-3	46.04	53.96	7.93	3.10
And	74.39	102.74	28.35	7.30
Including	93.60	97.26	3.66	24.05
Mon-2009-4	22.17	60.06	28.41	5.78

Silver Crown

During the three months ended July 31, 2009, the Company received B.C. mining tax credit refunds for its 2007 and 2008 taxation years totalling \$94,207 in respect to exploration and development work done on the Silver Crown property in those years. No work was done on the Silver Crown property during the three months ended July 31, 2009.

On December 1, 2006, the Company entered into an option agreement with Silver Grail Resources Ltd. and Teuton Resources Corp. to earn a 100% interest in the Silver Crown Property. The Company can earn a 100% interest in the Silver Crown Property by spending up to \$1,500,000 on exploration expenditures on the property within five years of the date of the agreement, by making cash payments totalling \$100,000 (\$25,000 paid) within five years of the date of the agreement, by issuing 100,000 common shares of the Company at the date of signing the agreement (issued) and by issuing an additional 200,000 common shares on or before November 17, 2010. On commencement of commercial production the Silver Crown Property will be subject to a 2% net smelter return royalty in favour of the optionors.

The Company has completed drill 9 holes totalling over 4,500 ft. on the Silver Crown property. Total exploration and development costs incurred on the Silver Crown property to July 31, 2009 are \$463,703.

The Company negotiated a one year extension of the November 17, 2008 cash payment due on the Silver Crown option agreement which is now due on November 17, 2009.

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Wollaston Lake

By a purchase agreement dated April 27, 2007, the Company purchased a 100 % interest in eight mineral claims located in the Wollaston Lake area of Saskatchewan in consideration of the issuance of 450,000 common shares of the Company valued at \$45,000. The value was determined by the market price of the shares when issued. The Company has paid \$17,400 in staking costs and incurred exploration and development costs of \$46,536 on the Wollaston Lake claims. During the year ended April 30, 2009, the Company wrote off all costs incurred on these claims totalling \$108,936.

Oil and Gas Property:

Pink Mountain

The Company acquired a 100% interest in an oil and gas license located in British Columbia from a company with directors in common with the Company for \$153,858 and the possible future issuance of 1,000,000 common shares. The shares are to be issued if and when the property is placed into commercial production of more than 50 barrels of oil per day, including barrels of oil equivalent in natural gas, for 30 consecutive days. The licence will expire on September 13, 2013. During the year ended April 30, 2009, the Company incurred exploration and development expenditures of \$60,466 on the Pink Mountain property. These expenditures included an airborne gas detection survey over the property. No work was done on the Pink Mountain property during the three months ended July 31, 2009.

Selected Annual Information

The following financial data is selected information for the most recently completed fiscal years:

	April 30, <u>2009</u>	April 30, <u>2008</u>	April 30, <u>2007</u>
Total revenues	\$ -	\$ -	\$ -
Net loss for the year	\$ (359,112)	\$ (405,455)	\$ (15,776)
Basic loss per share	\$ (0.03)	\$ (0.05)	\$ (0.01)
Total assets	\$ 1,078,281	\$ 876,006	\$ 533,599
Total long-term liabilities	\$ -	\$ -	\$ 20,264
Cash dividends per share	\$ -	\$ -	\$ -

Results of Operations

The following discussion should be read in conjunction with the financial statements and related notes thereto for the three months ended July 31, 2009.

The Company incurred a net loss of \$131,366 for the three months ended July 31, 2009 compared to a net loss of \$102,800 for the three months ended July 31, 2008.

General and administrative expenses for the three months ended July 31, 2009 were \$132,605 compared to \$102,800 for the three months ended July 31, 2008. Expenses were generally consistent with the prior period with the exception of a property investigation charge of \$25,600 incurred in the current period regarding possible property acquisitions in Nevada, Manitoba and Ontario.

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Cash used in operations for the three months ended July 31, 2009 was \$91,852 compared to \$19,525 for the three months ended July 31, 2008. The 2009 figure was higher due to the charge for property investigations and due to an advance made for geological services to be provided in the next quarter. Cash used in investing activities for the three months ended July 31, 2009 was \$140,241 compared to \$41,410 during the three months ended July 31, 2008 due to increased exploration and development activities.

Summary of Quarterly Results

The following summary of quarterly results is derived from the Company's unaudited interim financial statements:

	Q1 July 31, <u>2009</u>	Q4 Apr. 30, <u>2009</u>	Q3 Jan. 31, <u>2009</u>	Q2 Oct. 31, <u>2008</u>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the quarter	\$ (131,366)	\$ (234,595)	\$ 55,229	\$ (76,946)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ 0.00	\$ (0.01)

	Q1 Jul. 31, <u>2008</u>	Q4 Apr. 30, <u>2008</u>	Q3 Jan. 31, <u>2008</u>	Q2 Oct. 31, <u>2007</u>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the quarter	\$ (102,800)	\$ (175,341)	\$ (159,439)	\$ (19,139)
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.00)

Liquidity and Capital Resources

At July 31, 2009, the Company had working capital of \$36,310. The Company's working capital increased by \$33,787 during the three months ended July 31, 2009. To date, the Company has been able to fund operations and resource property exploration through equity financings. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the private placements of shares. The junior resource industry has been severely affected by the world economic situation as it is considered speculative and high-risk in nature, making it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

On June 24, 2009, the Company completed a private placement of 1,416,666 units at \$0.06 per unit for proceeds of \$85,000. Each unit contained one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at \$0.10 per share until June 24, 2011. Proceeds from the private placement were used for working capital. There was no commission payable in connection with the private placement.

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On July 15, 2009, the Company completed a private placement of 3,000,000 units at \$0.05 per unit for proceeds of \$150,000. Each unit contained one flow-through common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at \$0.10 per share until July 15, 2011. Proceeds from the private placement were used for exploration and development of the Red Cliff property. There was no commission payable in connection with the private placement.

On August 26, 2009, the Company announced that it had agreed to complete a private placement of up to 5,000,000 units at \$0.06 per unit for gross proceeds of up to \$300,000. Each unit will contain one flow-through common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at \$0.10 per share for two years. This private placement is subject to regulatory approval.

On September 10, 2009, the Company issued 643,700 common shares at \$0.20 per share pursuant to the exercise of 643,700 share purchase warrants for proceeds of \$128,740.

Off Balance Sheet Arrangements

None.

Transactions with Related Parties

During the three months ended July 31, 2009 and 2008, the Company incurred the following charges from directors of the Company:

	<u>2009</u>	<u>2008</u>
Deferred exploration costs - geological	\$ 39,000	\$ -
Deferred exploration costs – equipment rental	46,500	-
Property investigations	25,600	-
Management fees	<u>12,000</u>	<u>12,000</u>
	<u>\$ 123,100</u>	<u>\$ 12,000</u>

At July 31, 2009, prepaid expenses and advances include \$40,400 (April 30, 2009: \$Nil) advanced to a director of the Company for geological services to be provided in the upcoming quarter.

At July 31, 2009, the Company has advanced \$250,000 (April 30, 2009: \$300,000) for drilling and exploration programs to be undertaken on its Red Cliff property by another public company with common directors.

Proposed Transactions

None.

Critical Accounting Estimates

Significant accounts that require estimates as the basis for determining the stated amounts include mineral properties and stock-based compensation.

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The recoverability of the amounts capitalized for the undeveloped mineral properties and the oil and gas property is dependent upon the determination of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain the necessary financing to complete development of the properties and on future profitable production or proceeds from the disposition properties.

At July 31, 2009, management considers that no impairment provision is required to the carrying costs of its remaining mineral properties or the oil and gas property.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Changes in Accounting Policies

The Company's significant accounting policies are summarized in Note 2 to its April 30, 2009 annual audited financial statements. There were no changes in the Company's accounting policies during the three months ended July 31, 2009.

Adoption of New Accounting Standards

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning May 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

Recent Pronouncements

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("GAAP") and IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of May 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be estimated at this time.

International Financial Reporting Standards (“IFRS”)

The Company will be required to report utilizing IFRS effective on May 1, 2011. In order to accomplish this, the Company will need to have a comparative statement prepared utilizing IFRS available for July 31, 2010. Effectively this means that IFRS will need to be implemented May 1, 2010 with an opening balance sheet.

The Company has begun to familiarize itself with IFRS. In addition, the audit committee will determine whether additional training for its directors and officers is necessary. The Company is in the process of determining which International Accounting Standards will affect its financial statements and if there are any choices to be made in the adoption of the new standards.

Financial Instruments and Other Instruments

The Company’s financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company’s financial instruments are summarized below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s cash is exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company’s accounts payable and accrued liabilities are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

Risks and Uncertainties

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

Mining exploration is an inherently risky business with no guarantees that further exploration will result in an economically viable mine. Among the risks faced by the Company are such things as title risk, competition risk, financing risk, permitting risk, commodity price risk and environmental regulation risk.

Mining activities involve risks which careful evaluation, experience and knowledge may not eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations. Management attempts to mitigate its exploration risk through a strategy of possible joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

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Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals are intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Disclosure of Outstanding Share Data

a) <u>Issued:</u>	<u>Number</u>	<u>Amount</u>
Balance, July 31, 2009	<u>18,733,271</u>	<u>\$ 1,537,035</u>
Balance, September 14, 2009	<u>19,376,971</u>	<u>\$ 1,665,775</u>

b) Share Purchase Warrants:

At July 31, 2009, the Company had 9,032,971 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
1,144,065	\$0.20	October 27, 2010
619,300	\$0.20	November 26, 2010
2,852,940	\$0.25	December 15, 2010
1,416,666	\$0.10	June 24, 2011
<u>3,000,000</u>	<u>\$0.10</u>	July 15, 2011
<u>9,032,971</u>	<u>\$0.17</u>	

At September 14, 2009, the Company had 8,389,271 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
666,665	\$0.20	October 27, 2010
453,000	\$0.20	November 26, 2010
2,852,940	\$0.25	December 15, 2010
1,416,666	\$0.10	June 24, 2011
<u>3,000,000</u>	<u>\$0.10</u>	July 15, 2011
<u>8,389,271</u>	<u>\$0.17</u>	

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c) Compensation Units:

At July 31, 2009 and September 14, 2009, the Company had 285,294 compensation units outstanding. Each compensation unit is exercisable at \$0.17 into one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at \$0.25 until December 15, 2010.

d) Share Purchase Options:

At July 31, 2009 and September 14, 2009, the Company had 1,960,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
1,550,000	\$0.45	May 15, 2012
<u>410,000</u>	<u>\$0.11</u>	April 23, 2014
<u>1,960,000</u>	<u>\$0.38</u>	