Adex Mining Inc.
Management`s Discussion and Analysis
December 31, 2009

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Discussion dated April 22, 2010

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Adex Mining Inc. ("Adex" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2009. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion dated April 22, 2010 should be read in conjunction with the Company`s consolidated financial statements as at and for the year ended December 31, 2009 together with the notes thereto. Results are reported in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles.

The Company trades on the TSX Venture Exchange under the symbol "ADE". Further information about the Company and its operations can be obtained from the offices of the Company, the Company website, www.adexmining.com, or from www.sedar.com.

OVERVIEW OF THE BUSINESS AND OVERALL PERFORMANCE

The Company holds 100% of the subsurface mineral rights to approximately 1,600 hectares encompassing the Mount Pleasant mine area of New Brunswick, Canada (the "Property" or "Mount Pleasant"). Within the mineral rights area, the Company owns approximately 405 hectares of land, plus the buildings, machinery, equipment and tailings impoundment facility which comprise the dormant Mount Pleasant mine. Two distinct poly-metallic mineral deposits, the Fire Tower Zone ("FTZ") and the North Zone ("NZ") have been identified during prior exploration and development programs. The principal metals include tungsten and molybdenum in the FTZ and tin, indium and zinc in the NZ. Billiton Exploration Canada Limited started production of tungsten concentrate from the FTZ in 1983, but ceased operations in 1985 when the decreasing price of tungsten metal made it uneconomical to continue. Some one million tonnes of tungsten ore was mined and processed during the operation. The price of tungsten had not recovered by 1988, as a result the FTZ mine workings were allowed to flood and the facilities placed on care and maintenance.

The Company has owned the Property since 1995. During the period from 1995 to 1997 the Company embarked on various development activities, including the preparation of a feasibility study on the NZ. During the period from 1998 to July 2007, the Company kept its claims to the Property in good standing, but limited exploration activities were performed. On August 1, 2006, the Company completed a National Instrument 43-101 ("NI 43-101") compliant technical report (available on SEDAR) on the Property that described the historical exploration and development of the Property since the 1950's, provided a resource estimate for the FTZ and proposed a technical evaluation program. Since 2006 the Company has completed many development programs and has developed production scenarios as detailed below.

North Zone

In May 2009, the Company completed and filed a NI 43-101-compliant technical report (the "NZ Technical Report") entitled "A Technical Review of the Mount Pleasant Property, Including an Updated Mineral Resource Estimate on the North Zone, Southwestern New Brunswick for Adex Mining Inc." dated May 6, 2009. The NZ Technical Report was prepared by Paul Dunbar, P.Geo. Senior Associate Geologist of Watts, Griffis, McOuat ("WGM") and Robert de l'Etoile, Eng. Senior Geological Engineer of SGS-Geostat Limited, all under the supervision of Trevor Boyd, P.Geo., the Company's Geological Consultant, and a qualified person as defined by NI 43-101. The NZ Technical Report (available on www.sedar.com) provides a resource estimate for the Property's tin - indium bearing NZ, details of which are as follows:

NORTH ZONE - MINERAL RESOURCE ESTIMATE, MOUNT PLEASANT MINE PROPERTY

Sub-Zones	Tonnes	%Sn	g/t IN	g/t In Capped	% Zn	%As	$\%WO_3$	$\%MoS_2$	%Cu	%Bi
Indicated										
Deep Tin	5,006,000	0.39	101.0	95.2	0.86	1.25	0.08	0.06	0.14	0.08
Endogranitic	4,336,000	0.55	21.8	20.3	0.28	0.85	0.12	0.06	0.10	0.09
Upper Deep Tin	838,000	0.22	102.8	94.9	1.36	0.76	0.08	0.06	0.07	0.05
#4 Tin Lode	702,000	0.25	74.1	74.1	1.00	0.19	0.01	0.01	0.09	0.00
Total indicated	10,882,000	0.43	67.8	64.0	0.67	0.98	0.09	0.06	0.11	0.08
Inferred										
#1-3 Tin Lode	2,345,000	0.18	76.8	73.5	1.08	0.28	0.02	0.03	0.09	0.01
#5 Tin Lode	1,267,000	0.15	115.4	111.3	1.5	0.70	0.07	0.04	0.08	0.03
North Adit	3,076,000	0.27	62.1	62.1	0.83	1.16	0.09	0.06	0.09	0.07
North W-Mo	915,000	0.26	54.3	49.8	0.58	1.14	0.25	0.12	0.12	0.10
Total Inferred	7,603,000	0.22	74.6	72.3	0.99	0.80	0.08	0.05	0.09	0.05

The Mineral Resource estimate above was based on a Sn equivalent ("SNEQ%") cut-off of 0.25%. The SNEQ% value is a combination of Sn and In as follows: SNEQ% = %Sn + 41.67 %In.

The 0.25% SNEQ% cut-off grade was provided by Adex based on a value of the mineralized material of US$30/tonne derived from the previous six-year price trend and price relationship between tin and indium using an estimated tin price of US$12.0/kg. Zinc was not incorporated into the estimation of the cut-off grade. In consultation with WGM and SGS Geostat Limited, and based upon these metal prices, Adex has determined that 0.25% SNEQ% is an acceptable cut-off grade to report the resources.

On January 25, 2010, the Company reported the results of a Preliminary Economic Assessment (the "PA") indicating that there are two potentially viable production options for the NZ, including the production of tin concentrate, indium sponge and zinc metal, and the production of tin concentrate and zinc-indium concentrate. Based on a 10-year projected life for the NZ and production rate of 850 tonnes per day ("tpd"), the PA shows pre-tax internal rates of return ("IRR") for the tin concentrate, indium sponge and zinc metal production option and the tin concentrate and zinc-indium concentrate production option of 28.87% and 23.49%, respectively. The PA also indicates an after-tax NPV and IRR for the tin concentrate, indium sponge and zinc metal production option of $47.2 million and 22.55%, respectively, and an after-tax NPV and IRR for the tin concentrate and zinc-indium concentrate production option of $18.1 million and 18.0%, respectively as highlighted in the following table.

North Zone Processing Options – Preliminary Assessment – January 10, 2010

Processing option	Production of tin concentrate, indium sponge and zinc metal	Production of tin concentrate and zinc-indium concentrate
Estimated mine life	10 years	10 years
Production rate	850 tpd	850 tpd
Pre-production capital	$71.1 million	$41.1 million
Internal rate of return	28.87%	23.49%
Net present value	$79.9 million	$32.7 million
After-tax internal rate of return	22.5%	18.0%
After-tax net present value	$47.2 million	$18.1 million

During the fourth quarter of 2009 the Company successfully developed a process for the production of a high purity zinc metal and indium spounge in its bench scale hydrometallurgical process (the “hydromet process”) development program. The bench scale process development work completed to date indicates that the unique hydromet process technology is capable of producing indium in excess of 88% purity. Bench scale optimization of process chemistry to confirm design parameters for the hydromet pilot plant testwork is ongoing.

The hydromet process, developed by Thibault & Associates Inc. of Fredericton, an Adex consultant, involves leaching base metal sulphide concentrate containing approximately 4500 ppm indium and recovering the indium and zinc through a series of solvent extraction and solution purification processes. Adex is considering patent applications with respect to certain aspects of this hydromet process technology. Indium production potential at Mount Pleasant is about 40 tonnes per year (“tpy”) based on processing 850 tpd of mill feed. Adex is considering two commercial production scenarios for Mount Pleasant. Under the tin concentrate, indium and zinc metal production model, there is also potential to produce about 4,000 tonnes of zinc metal and 3,200 tonnes of tin concentrate per year from the North Zone (“NZ”). Under the tin concentrate and zinc-indium concentrate production model, there is potential to produce about 8,500 tonnes of indium rich zinc concentrate and 3200 tonnes of tin concentrate from the NZ.

Adex has engaged SGS Lakefield to perform bench scale performance, locked cycle testing and pilot plant operations for its tin concentrate and zinc-indium concentrate production option. As well, Adex has engaged Thibault & Associates Inc. of New Brunswick for pilot testing and continuing development of a comprehensive flowsheet of its hydrometallurgical process for the production of zinc metal and indium sponge metal. Results from pilot plant test work, expected by mid-summer 2010, will, if positive, lead directly to a definitive feasibility study (“DFS”), which will initially run concurrently with the final stages of the pilot plant programs. Positive results from the DFS as well as government regulatory approvals and project financing are expected to lead to a production decision before the end of 2010.

During the first quarter of 2010, the Company completed a Tailings Leachability and Wastewater Treatability Study involving a concept for the treatment of tailings and wastewater from both metallurgical and hydrometallurgical operations as defined by the PA. The study defines a water and tailings management concept for the North Zone based on sub-aerial disposal of tailings, multi-stage wastewater treatment and reclaim of water from the tailings polishing pond. Results of the test program indicate that the overall management concept is technically viable and provides measures to control and treat high concentrations of fluoride and heavy metals

Pending the developments referred to above, Adex expects to be positioned to construct an access decline and begin engineering and procurement of processing equipment by early 2011. Concentrator production is targeted for late 2011.

The PA and the economic analyses contained therein are preliminary in nature and contain some "Inferred" mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PA will be realized with more detailed work. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Fire Tower Zone
In December 2008, Company completed and filed an updated NI 43-101 compliant technical report (the “FTZ Technical Report”) entitled “A Technical Review of the Mount Pleasant Property, Including an Updated Mineral Resource Estimate on the Fire Tower Zone, Southwestern New Brunswick for Adex Mining Inc.” dated December 1, 2008. The FTZ Technical Report was prepared by Paul Dunbar, M.Sc., P.Geo. Senior Associate Geologist of Watts, Griffis and McOuat Limited (“WGM”), Dorota A. El-Rassi, M.Sc., P.Eng., Geological Engineer of SRK Consulting (‘SRK”) and John S. Rogers, P.Eng., of Aker Metals, a division of Aker Solutions Canada Inc.**,** all under the supervision of Trevor Boyd, P.Geo., the Company’s Geological Consultant and a qualified person as defined by NI 43-101, who also supervised the preparation of the technical information contained in this MD&A in compliance with NI 43-101. The FTZ Technical Report (available on www.sedar.com) provides a resource estimate for the Property’s tungsten – molybdenum bearing FTZ, the details of which are as follows:

FIRE TOWER ZONE - MINERAL RESOURCE ESTIMATE, MOUNT PLEASANT MINE PROPERTY

Area	Tonnes	$\%WO_3$ (tungsten)	$\%MoS_2$ (molybdenum)	%As (arsenic)	%Bi (bismuth)
Indicated					
Fire Tower West	9,148,900	0.32	0.21	0.29	0.04
Fire Tower North	4,340,100	0.35	0.20	1.15	0.09
Total Indicated	13,489,000	0.33	0.21	0.57	0.06
Inferred					
Fire Tower West	831,000	0.26	0.20	0.21	0.04
Fire Tower North	10,700	0.26	0.17	0.26	0.05
Total Inferred	841,700	0.26	0.20	0.21	0.04

The FTZ resource estimate was based on a cut-off grade of $0.3\%WO_3$ equivalent, equal to $\%WO_3 + 1.5 \times \% MoS_2$. The 0.3% WO_3 equivalent cut-off grade was based on a value of the mineralized material of US$30/tonne at a tungsten price of US$100/MTU (US$10.0/kg WO_3), a mine life of ten or more years, and the previous ten-year price relationship between W and Mo. In consultation with SRK Consulting and WGM and based upon these metal prices, the Company has determined that $0.3\%WO_3$ equivalent is the minimum acceptable cut-off grade to report.

The Company engaged Aker Solutions Canada Inc., part of Aker Solutions ASA, to conduct a scoping study on the FTZ. An important step in assessing the economic potential of the FTZ's tungsten-molybdenum mineralization, the scoping study was commenced on June 30, 2008 and completed in December 2008.

The scoping study generated capital and operating cost estimates for the FTZ. In support of these cost estimates, the study included a mining equipment list and capital cost estimate, proposed tailings management systems and projected additional site infrastructure needs, as well as a number of other deliverables. The FTZ scoping study reached its conclusions on the basis of the “indicated” resource estimates for the FTZ.

The results of the FTZ scoping study indicate an unlevered pre-tax internal rate of return of 27.1% and a pre-tax net present value of $164 million. The FTZ scoping study also indicates that the tungsten-molybdenum FTZ can be brought into production at a capital cost of $130 million, and that the FTZ is capable of generating $1.160 billion in revenue over a 13 year life of mine. A summary of the results of the FTZ scoping study is attached as an appendix to the FTZ Technical Report.

The results of the FTZ scoping study may be impacted by declines in metal prices subsequent to the completion of the study. In addition, mineral resources that are not mineral reserves do not have demonstrated economic viability.

Given the positive results of the FTZ scoping study, the Company’s next milestone is to commence detailed metallurgical test work on the proposed amonium para tungstate (tungsten), molybdenum concentrate flowsheet and proceed with a definitive feasibility study (“DFS”) on the FTZ. Given the recent increases in tungsten and particularily molybdenum, the Company is examining plans to commence this program sometime in 2010, subject to adequate financing.

The Company currently has sufficient financial resources to continue its development plan in 2010; however additional financings will be required to ensure the completion of the definitive feasibility study and mine permitting and construction.

The fundamental philosophy of the Company is to maximize shareholder value by maximizing the future value of its resources. To this extent, the Company is developing the capability to process its metals beyond the traditional ore stage and sell higher valued products such as indium metal, zinc metal and ammonium paratungstate.

SELECTED ANNUAL INFORMATION

Year ended December 31,	**2009**	2008	2007
	$	$	$
Net loss	**1,107,474**	1,850,519	1,248,773
Basic and diluted loss per share	**(0.01)**	(0.02)	(0.03)
Total assets [1]	**10,294,859**	10,510,179	10,421,854
Total long term liabilities [1]	**-**	-	-
Dividends	**-**	-	-

[1] As at December 31

RESULTS OF OPERATIONS

The Company's net loss for the year ended December 31, 2009 was $1,107,474 or $0.01 per share (loss of $1,850,519 or $0.02 per share for the year ended December 31, 2008). The principal components of net loss during the year ended December 31, 2009 were administrative and general expenses of $785,677 ($942,696 for the year ended December 31, 2008), mineral property expenses of $381,249 ($502,592 for the year ended December 31, 2008) and stock based compensation of $234,801 ($532,778 for the year ended December 31, 2008). The Company recognized a non-cash future income tax recovery of $292,378 (nil for the year ended December 31, 2008) related to the effect of renunciation of flow through Canadian Exploration Expenses ("CEE").

Interest earned on funds on deposit for the year ended December 31, 2009 was $4,910 ($128,097 for the year ended December 31, 2008). The reduced interest income for the year ended December 31, 2009 as compared to the same period in 2008 is primarily due to the reduced balance of funds on deposit during 2009 compared to the same period in 2008 as well as reduced interest rates.

ADMINISTRATIVE AND GENERAL EXPENSES

The major changes to administrative and general expenses between the year ended December 31, 2009 and 2008 have been due to cost reduction measures taken to reflect the decrease in business activity required during the negative business and economic environment in 2009. During 2009, the Company was able to reduce costs related to wages, benefits and consulting and other costs reflecting the decrease in financing and regulatory compliance activities. Office rent increased from the same period in 2008 due to the Company having leased its own dedicated head office facilities as of October 1, 2008.

	2009	2008
	$	$
Wages, benefits and consulting	**346,037**	439,937
Shareholder communications, advertising and promotion	**151,909**	214,872
Directors fees	**88,000**	72,000
Professional fees (legal & audit)	**62,197**	91,376
Office rent	**50,305**	19,601
Office costs	**31,900**	34,997
Insurance	**30,811**	29,481
Travel	**12,750**	15,561
Regulatory and filing fees	**11,768**	24,872
	785,677	942,696

MINERAL PROPERTY EXPENDITURES

The major changes to mineral property expenses between the year ended December 31, 2009 and the year ended December 31, 2008 have been as a result of decreased activity related to the exploration programs and the tailings dam upgrade. Final NZ technical report preparation was completed during the second quarter of 2009. Other expenses incurred during the year ended December 31, 2009 were primarily related to the care and maintenance activities required to ensure environmental compliance, safety and security at the Property.

Environmental compliance expenses during the year increased as a result of the preparation of a baseline environmental assessment.

The reduced interest income for the year ended December 31, 2009 as compared to the same period in 2008 reflects the reduced balance of funds on deposit in the comparative financial quarters as well as reduced interest rates.

	For the year ended December 31	
	2009	2008
	$	$
Technical reports	**696,144**	673,095
Metallurgical studies	**133,950**	489,996
Drilling and exploration	**78,985**	2,973,933
Tailings dam upgrade	**3,860**	656,166
Additions to mineral properties	**912,939**	4,793,190
Wages and consulting	**145,543**	267,571
Maintenance and equipment rental	**123,229**	196,178
Environmental compliance	**90,816**	46,067
Utilities	**38,076**	48,388
Property taxes	**22,443**	22,946
Other	**20,284**	32,868
Depreciation	**12,680**	8,039
Travel, meals & entertainment	**7,734**	13,845
Rental income	**(24,000)**	(24,000)
Interest income	**(55,556)**	(109,310)
Mineral property expenses	**381,249**	502,592
Total mineral property expenditures	**1,294,188**	5,295,782

FOURTH QUARTER

The Company's net loss for the three months ended December 31, 2009 was $8,244 or $0.00 per share (loss of $449,606 or $0.01 per share for the three months ended December 31, 2008). General and administrative expenses for the three months ended December 31, 2009 were $198,662, ($301,477 for the three months ended December 31, 2008) and included stock option compensation expense of $31,900 ($100,376 for the three months ended December 31, 2008). The Company recognized a non-cash future income tax recovery of $292,378 (nil for the year ended December 31, 2008) related to the effect of renunciation of flow through Canadian Exploration Expenses ("CEE"). Mineral property expenses of $95,113 ($190,337 for the three months ended December 31, 2008) were mainly comprised of property taxes, property maintenance and security.

SUMMARY OF QUARTERLY RESULTS

A summary of the eight most recent quarters is as follows:

	December 31 2009 $	September 30 2009 $	June 30 2009 $	March 31 2009 $
Net loss for the period	(8,244)	(330,549)	(413,951)	(354,729)
Net loss per share - Basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

	December 31 2008 $	September 30 2008 $	June 30 2008 $	March 31 2008 $
Net (loss) income for the period	(449,606)	(401,194)	(499,034)	(500,438)
Net (loss) income per share - Basic and diluted	(0.01)	(0.00)	(0.01)	(0.01)

The Company does not consider the effects of seasonality to be significant. The primary drivers for large variations in quarterly results are:

- The net loss of the Company for the three months ended December 31, 2009 was as a result of a future income tax recovery of $292,378 from the renunciation of Canadian Exploration Expenses incurred by the Company to the holders of the Company's flow through common shares.
- The net loss of the Company for the each of the seven periods ended March 31, 2008, June 30, 2008 September 30, 2008, December 31, 2008, March 31, 2009, June 30, 2009 and September 30, 2009 reflect administrative and marketing activities as well as care and maintenance costs related to the Property.

LIQUIDITY, CAPITAL RESOURCES AND BUSINESS PROSPECTS

As at December 31, 2009, the Company had net working capital of $2,601,973 ($3,848,053 as at December 31, 2008).

On December 30, 2009, the Company completed a private placement of 8,408,665 flow-through units at a price of $0.12 per unit for gross proceeds of $1,009,040. The financing resulted in the issuance of 8,408,665 flow-through common shares and 4,204,332 non flow-through warrants, as well as a finders fee of 554,166 compensation units.

The Company currently completing a Preliminary Economic Assessment on the NZ and is evaluating a staged approach to the developmet of the Property. The Company currently has the necessary resources to complete the study phase of this development based on current estimates. If the actual costs are higher than estimates the Company would have to consider raising additional equity and or sale of assets or a joint venture with a third party.

Full scale mine development, which would include a DFS on either the FTZ, the NZ, or both and de-watering activities could commence if and when the Company deems such expenditures prudent and beneficial, which could be based on results from its current evaluation program and prevailing market conditions. The Company will require additional capital in order to undertake full scale development work which could be raised by issuing debt and/or equity or entering into a joint venture to pursue the project with a third party. There is no assurance that the Company will be successful in raising additional capital or entering into a joint venture to pursue the project with a third party.

FINANCIAL INSTRUMENTS

The carrying amount of financial instruments approximates fair value unless otherwise noted. The Company's financial assets include the reclamation bond and interest receivable on the reclamation bond. As this bond and interest accrued are on deposit with the province of New Brunswick, the Company does not consider these assets to be subject to credit risk.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. As at December 31, 2009 and April 22, 2010, the Company had 96,526,026 common shares issued and outstanding.

On April 24, 2009, the Company granted an aggregate of 1,450,000 common share stock options with an exercise price of $0.12 per common share pursuant to its stock option plan to directors, officers, employees and consultants of the Company. The options vest in equal quarterly installments over the twelve month period from the date of the grant and expire on April 24, 2014.

As of December 31, 2009 and April 22, 2010, the Company had 4,204,332 common share purchase warrants, 6,910,000 common share purchase options issued pursuant to its stock option plan and 816,665 compensation unit options outstanding. Each of the outstanding common stock options is exercisable to purchase one common share. Each of the outstanding compensation unit option is exercisable to purchase one common share and one half common share purchase warrant. The number of common shares outstanding on a fully-diluted basis as at December 31, 2009 and April 22, 2010 is 108,865,355.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2009, the Company incurred related party expenses of $259,500 ($312,000 for the year ended December 31, 2008) These expenses related to the payment of management fees to the Company's senior officers, Errol Farr, President and Chief Executive Officer and formerly Chief Financial Officer, William C. Burton, Chief Financial Officer and formerly Corporate Controller and, to April 21, 2009, Kabir Ahmed, former President and Chief Executive Officer. These amounts were expensed in the period incurred as administrative and general expenses.

The full year expenses include a onetime retirement payment to Mr. Ahmed of $75,000 (nil for the year ended December 31, 2008).

There are no amounts payable to these related parties at December 31, 2009. The amounts paid and owing are measured at the exchange amount, are non-interest bearing and due on demand.

ACCOUNTING POLICIES CHANGES

Change in accounting policy – Goodwill and Other Intangible Assets and Financial Statement Concepts
In November 2007, the Canadian Institute of Chartered Accountants (the "CICA") issued amendments to Section 1000 "Financial Statement Concepts", and AcG 11 "Enterprises in the Development Stage", issued a new Handbook Section 3064"Goodwill and Intangible Assets" ("Section 3064"), to replace Section 3062 "Goodwill and Other Intangible Assets", withdrew Section 3450 "Research and Development Costs" and amended EIC 27 "Revenues and Expenditures During the Pre-operating Period" to not apply to entities that have adopted Section 3064. These amendments provide guidance for the recognition of internally developed intangible assets, including assets developed from research and development activities, ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed. The amendments are effective for annual and interim consolidated financial statements relating to fiscal years beginning on or after October 1, 2008 and, therefore, the Company has implemented them in the first quarter of 2009, retroactively with restatement of the comparative periods for the prior year. The adoption of this change in accounting policy did not have a significant impact on the Company's financial statements.

Change in accounting policy - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities
In January 2009, the Emerging Issues Committee ("EIC") concluded that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable retrospectively without restatements of prior periods to all financial assets and liabilities measured at fair value in interim and annual consolidated financial statements for periods ending on or after the date of the issue of the abstract (January 20, 2009). Retrospective application with restatement of prior periods is permitted but not required. Early adoption is encouraged. The application of incorporating credit risk into the fair value should result in entities re-measuring their financial assets and financial liabilities as at the beginning of the period of adoption with any resulting difference recorded in retained earnings except when derivatives in a fair value hedging relationship are accounted for by the short cut method (difference is adjusted to the hedged item) and for derivatives in cash flow hedging relationship (differences are recorded in accumulated other comprehensive income). The adoption of this change in accounting policy did not have a significant impact on the Company's consolidated financial statements.

Change in accounting policy – Mining exploration costs
In March 2009, the EIC issued EIC-174, "Mining Exploration Costs". EIC-174 provides guidance on the accounting and the impairment review of exploration costs. This standard is effective for the Company's fiscal year beginning January 1, 2009. This change in accounting policy did not have an effect on the Company's consolidated financial statements.

Future changes in accounting policies - International financial reporting standards
The CICA has released an exposure draft for the full adoption of International Financial Reporting Standards (IFRS) for all Canadian publicly accountable enterprises on January 1, 2011, representing a final mandate from the CICA. The Company has initiated plans to convert its basis of accounting to IFRS and is in the process of evaluating the impact that this conversion will have on the results of the Company. A project team has been engaged under the direction of an internal project manager. During 2008, the Company focused on the identification of differences in the basis of accounting in areas determined to be material to the Company's operations. With this review complete, the Company is currently focusing on the development of specific accounting policies and implementation plans. This process will continue throughout 2009. Current areas of focus for the Company include accounting for exploration and development costs and intangible assets, impairment of long-lived assets, provisions and contingent liabilities, and accounting for stock based compensation. Further disclosures as to the nature of financial and operational impacts to the Company will be made as available during the transition process.

RISK FACTORS

Given the Company's current status as an exploration stage company, there are numerous risk factors that could affect the Company's business prospects and future performance, including the following. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also affect the Company's business prospects and future performance.

Operating History
The Company has a very limited history of operations and must be considered a start-up. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and an absence of revenues. There is no assurance that the Company will be successful in achieving a return on shareholder investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no intention of paying any dividends in the foreseeable future.

Highly speculative business
The nature of the Company's business is highly speculative due to its proposed involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Company. The commercial viability of a mineral deposit, if discovered, depends upon a number of factors including the particular attributes of the

deposit (principally size and grade), the proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes base metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Company. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production.

Insufficient resources or reserves
Substantial additional expenditures will be required to establish either resources or reserves on mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

Barriers to commercial production
The Company will rely upon consultants and others for construction and operating expertise. The economics of developing mineral properties are affected by many factors including, but not limited to, the cost of operations, grade of ore, fluctuating mineral markets, costs of processing equipment, competition, extensions on licenses and other factors such as government regulations, including regulations relating to title to mineral concessions, royalties, allowable production, importing and exporting of minerals and environmental protection. Many of the above factors are beyond the control of the Company. Depending on the price of minerals produced, the Company may determine that it is impractical to either commence or continue commercial production.

Additional capital
The exploration and development of the Property will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on the Property. The Company will also require additional funding to acquire further property interests. The ability of the Company to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury of the Company, control of the Company may change and security holders may suffer additional dilution.

Commodity price and exchange rate fluctuations
The feasibility of mineral exploration is significantly affected by changes in the market price of the minerals expected to be produced. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of minerals and stability of exchange rates can all cause significant fluctuations in mineral prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

Key officers, consultants and employees
The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company’s success. The Company has not purchased any key-man insurance with respect to any of its directors, officers or consultants and has no current plans to do so.

Title
No assurances can be given that title defects to the Property do not exist. The Property may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate and interest in and to the Property to which the title defect relates.

Title to mineral interests in some jurisdictions is often not susceptible to determination without incurring substantial expense. In accordance with industry practice, the Company conducts such title reviews in connection with its properties as it believes are commensurate with the value of such properties. The actual interest of the Company in certain properties may vary from the Company’s records.

Maintaining interests in mineral properties
The Company's continuing right to maintain its ownership in its mineral property interests will be dependent upon compliance with applicable laws and with agreements to which it is a party. There is no assurance that the Company will be able to obtain and/or maintain all required permits and licences to carry on its operations. Additional expenditures will be required by the Company to maintain its interests in its properties. There can be no assurance that the Company will have the funds, will be able to raise the funds or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if it fails to do so its interest in certain of these properties may be reduced or be lost.

External market factors
The marketability and price of minerals which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The Company will be affected by changing production costs, the supply or/and demand for minerals, the rate of inflation, the inventory levels of minerals held by competing companies, the political environment and changes in international investment patterns.

Governmental and regulatory requirements
Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, which may include requirements for the Company to take corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of properties.

Environmental regulations
All phases of the Company's operations are subject to environmental regulation. Environmental legislation is becoming more strict, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that environmental regulation will not adversely affect the Company's operations. Environmental hazards may exist on a property in which the Company holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property. The Company has in place a program of regular environmental monitoring to ensure compliance with existing environmental regulations.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards, and enforcement, fines and penalties for non-compliance are more stringent.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations in all of the countries in which it is active.

Conflicts of interest
Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (Ontario), directors who have a material interest in any person who is a party to a material contract or a

proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. The directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Uninsured risks
The Company currently has liability insurance in an amount which management considers adequate. However, in the future, the costs of such insurance may become prohibitive. The nature of the risks for mining companies is such that liabilities might exceed policy limits, certain liabilities and hazards might not be insurable, or the Company might, in the future, elect not to insure itself against such liabilities due to high premium costs or other reasons. Should such liabilities occur, the Company would incur significant costs that would have a material adverse effect upon its financial condition.

Competition in acquiring additional properties
Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

Dividend policy
No dividends on the common shares of the Company have been paid by the Company to date. The Company intends to retain its earnings, if any, to finance the growth and development of its business and has no present intention of paying dividends or making any other distributions in the foreseeable future.

COMMITMENTS, CONTINGENCIES AND GUARANTEES

In the normal course of operations, the Company executes agreements that provide for indemnification and guarantees to third parties in transactions such as equity and debt issuances. The nature of substantially all of the indemnification undertakings prevents management from making a reasonable estimate of the maximum potential amount the Company could be required to pay third parties as the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time.

As the owner of the land which the Property is located, which includes a dormant mine, the Company is obliged to comply with an environmental reclamation plan which is in effect for the Property. This obligation is secured by a collateral mortgage to the Province of New Brunswick for $2 million on 22 hectares of land on which the primary buildings on the Property are located.

Reclamation bonds consist of Province of New Brunswick 8.5% bonds maturing June 28, 2013. The bonds are pledged to the Province of New Brunswick as security under environmental regulations to ensure adequate funding is available in perpetuity to treat the acid water run-off from the abandoned Mount Pleasant mine shafts. The bonds are held for the benefit of the Company, and interest is accrued bi-annually, as long as the Company continues to treat the acid water run-off appropriately. Accrued interest on deposit is disbursed at the discretion of the Ministry of Finance of the Province of New Brunswick.

The Company has a contractual lease obligation related to its corporate premises that requires a minimum total lease payment of $149,586 until September 2012. The Company has the right to renew the lease for an additional three years and must provide written notice six months prior to the expiration of the current lease term if it intends to renew the lease agreement. The following table demonstrates the full year commitments.

	$
2010	54,395
2011	54,395
2012	40,796
	149,586

The Company has a contractual lease obligation related to its equipment at the Mount Pleasant property that requires a minimum total lease payment of $71,437 until September 2012.

The following is a schedule of future minimum lease payments under the capital lease expiring August 31, 2012 together with the balance of the obligation under capital lease.

	$
2010	**26,789**
2011	**26,789**
2012	**17,859**
Total minimum lease payments	**71,437**
Amount representing interest at 7%	**(6,439)**
Balance of the obligation	**$64,998**

OUTLOOK

The Company has completed a number of development activities, including Preliminary Economic Assessments on the NZ and FTZ. The Company is undergoing detailed metallurgical test work on the North Zone ores, including the recovery of tin and zinc-indium concentrates as well as using the zinc-indium concentrate to produce high purity zinc metal and indium sponge. Successful completion of this test work (summer 2010) will lead to the preparation of a definitive feasibility study and production decision. The Company continues to evaluate productions options for its Fire Tower Zone and may consider preliminary metallurgical test work and other activities in the near future. The Company is also evaluating the next steps in financing options that may include partnerships, production off-take contracts and/or equity financings. The Company beleives in a staged aproach to the development of the Mount Pleasant Property and plans to put it into production in a prudent and conservative manner as conditions warrant, while continuing to build shareholder value.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current expectations of the management of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed or implied by those forward-looking statements, including the risk factors summarized above under the heading “Risk Factors”. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.