FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FIRST QUARTER ENDED FEBRUARY 28, 2010

The following discussion and analysis, prepared as of **APRIL 29th 2010**, should be read together with the annual audited financial statements prepared for the three month period ended February 28, 2010 and year ended November 30th 2009 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles and Management Discussion and Analysis for those years. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Cascadero Copper Corporation (the "Company" or "Cascadero") was incorporated pursuant to the Alberta Business Corporations Act on October 30th 2003 and continued into the Province of British Columbia on June 3rd 2004 and is listed on the TSX Venture Exchange and trades under the symbol CCD.

Additional information related to the Company is available on its website at www.cascadero.com and on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

The Company is engaged through its 50% owned subsidiary, in the acquisition, exploration and development of resource properties in northwestern Argentina and for its own account in north central British Columbia, Canada.

PERFORMANCE SUMMARY

Corporate Activity

2004

The Company was incorporated in 2004 by the management of Stealth Minerals and entered into a property purchase agreement with Stealth Minerals in May 2004. The Company acquired a contiguous 31,000 hectare property in the Toodoggone River region of north central British Columbia from Stealth Minerals in exchange for 21.0 million common shares of the Company. Stealth Minerals purchased an additional 3.0 million shares at $0.10 per share to provide initial operating capital. There was no other seed capital funding. Prior to the prospectus offering Cascadero was a wholly owned subsidiary of Stealth Minerals.

In June 2004, a NI 43-101 compliant Technical Report was commissioned for the purpose of distributing shares to the public by way of a prospectus offering, which was completed in December 2004. Copies of the Technical Report and the Initial Prospectus Offering documents are available at **www.SEDAR.com**

The shares began trading on the Toronto Venture Exchange in December 2004 under the ticker symbol CCD.

2005 to 2007

In May 2005, the Company conducted initial exploration on its Toodoggone property in the Finlay River watershed. The Company completed sampling, mapping, geophysics, geochemistry and core drill on three geologically prospective zones in different areas of the property. All three areas, the Pine-Fin, Ryan Creek and the Mex showings were subject to core drilling and returned encouraging values of copper, gold and zinc and more work was planned. The Company also identified several prospective mineralized zones that require more work before drilling.

During this period the Company was subject to litigation that caused a halt in exploration activity. A settlement agreement was negotiated prior to court proceedings and the litigation was resolved by mutual agreement. Exploration resumed in 2007 with a drill program on the Pine North prospect. One core hole was initiated but was abandoned due to equipment failure. The program did not resume in 2007.

Between 2005 and 2007, the Company entered into subscription agreements with Argentine Frontier Resources Inc. (AFRI). As of November 30th 2007, the total cash advanced a total of $416,673 to AFRI.

2008

On July 17th 2008, the Company closed a 20,000,000 Unit financing. A Unit consists of one common share and one warrant. One warrant plus $0.10 entitles the holder to acquire one additional common share before July 17th 2010 to receive one common share.

On July 25th 2008, the Company announced that it entered into a Share Purchase Agreement to acquire a 50% interest in SESA Holdings LLC from Argentine Frontier Resources Inc, a private BC company and a related party.

On November 27th 2008, the Company received shareholder approval to acquire a 50% interest in SESA Holdings LLC (Nevada) owned by Argentine Frontier Resources Inc (AFRI), a related private company for consideration of 28 million Cascadero common shares and US$200,000. SESA LLC owns 99.99% of the shares of SALTA Exploraciones SA (SALTA), which company is the registrant for forty-three (43) 100% owned mineral prospects.

2009

On December 8, 2008 the Toronto Stock Exchange (Venture) approved the Company's purchase of its 50% interest in SESA Holdings LLC (Nevada) (SESA). SESA owns a 100% interest in Salta Exploraciones S.A

In March 2009, the Company entered into a Joint Venture Agreement with Gold Fields Toodoggone Exploration Corporation (GFTEG) a subsidiary of Gold Fields Ltd on its Toodoggone property. The agreement enables GFTEG to earn a 51% interest in the Company's' Toodoggone property by spending C$5 million over three years. GFTEG has a second option to increase its interest to 75% by spending an additional C$15 million over the next 3 years. The exploration program started in April and ended in October 2009.

In 2009, the total cash advances of $416,673 to AFRI were converted into 3,400,626 shares of Cascadero Copper Corp. The Company intends to hold these shares for investment purposes.

Stealth Minerals Ltd. ("SML"), a shareholder in the Corporation has commenced legal proceedings against a former officer of Sealth and the Corporation, to recover 4,000,000 shares of the Corporation that were transferred from Stealth's brokerage account to a brokerage account of the former officer in purported payment of amounts claimed to be owing to the former officer. The former officer has threatened to advance a counterclaim against the Corporation and certain directors and officers of the Corporation. Management of the Corporation does not believe the threatened counterclaim has any merit.

EXPLORATION ACTIVITY
BRITISH COLUMBIA

2004 to 2007

Dr. Ken Dawson PhD., P. Geo., is the Company's Qualified Person and oversaw the preparation of the technical information contained in the British Columbia Resource Properties.

On July 14th 2004, the Company acquired a British Columbia mineral property by a Property Transfer Agreement dated May 10th 2004 between Cascadero and Stealth Minerals Limited, a related company. The Property Transfer Agreement provided that the purchase price for 109 contiguous mineral claims would be equal to 60% of the total mineral property costs incurred by Stealth as at May 10th 2004. Accordingly, the Company acquired the mineral properties for $6,295,586 and issued 21,000,000 shares to Stealth. The 109 mineral claims were converted to 75 British Columbia mineral tenures on November 6, 2005, November 8th 2005 and April 3rd 2007.

Cascadero's Toodoggone Property consists of 75 converted mineral tenures aggregating 31,409.3 hectares in the Toodoggone volcanic arc on which four styles of mineralization occur. The Property borders Northgate Minerals Kemess property to the north. Cascadero has discovered all four styles of mineralization in outcrop and drill core. The tenures are all in good standing to March 31st 2011 and all are subject to a 3% net smelter return royalty (NSR) in favour of Electrum Resource Corp, which can be purchased down to a 1% NSR on base metal and a 1-½% NSR on precious metal.

The Toodoggone region is an Island Arc accretion assemblage of a conformable sequence of Permian, Triassic and Jurassic quartz monzonite and related aerial volcanic rocks. The quartz monzonite intrusions may be mineralized with economic porphyry style copper-gold-moly-silver values. The intrusions may also cause the formation of low- and high-sulphidation gold and silver epithermal style deposits discretely or related to the intrusions and hosted within either or both Triassic and Jurassic aged rocks. In addition, skarn mineralization is present locally.

Up to 2007, the Company spent about $8 million on its Toodoggone property. The Company does not have a direct interest in any other property.

2008

During the 2008 fiscal year no exploration occurred on the Company's British Columbia properties.

2009

In April 2009, Gold Fields Toodoggone Exploration Corporation (GFTE) commenced an airborne geophysical survey of the property and initiated field operations in early June 2009. The program budgeted was for approximately C$3.0 million and was completed on October 9th 2009 on schedule and on budget. The Company has received a 2009 program report from GFTE. Gold and copper were present in drill core but the grades and length of intervals were not sufficient to indicate or define the presence of a mineral resource. GFTE did not test all targets. At the time of the report GFTEG expressed an interest in returning for the 2010 field season.

In December 2009 at a consultation meeting with certain First Nations representatives, GFTE was presented a letter that that expressed a concern about GFTE's continued exploration activity in the Finlay River watershed. In January, Gold Fields declared an event of Force Majeure as a result of objections raised by First Nations to continuing exploration work on the Company's Toodoggone mineral claims. Gold Fields has advised the Company that it intends to suspend further exploration work on the claims until the situation is resolved. No timetable has been provided for the resumption of exploration work.

Company management believes that the exercise of Force Majeure by GFTE may be a temporary measure and the concerns of the First Nations may be resolved in time for a full field season. However, management believes the event of Force Majeure by GFTE could impair the value of its mineral tenures should it remain in place for an extended period.

As of March 12th 2010, the Company holds the exploration rights to 75 contiguous mineral tenures in British Columbia aggregating approximately 31,400 hectares. The tenures are in good standing until March 31st 2011.

EXPLORATION ACTIVITY
ARGENTINA

2003 to 2005

Dr. Thomas Richards PhD., P. Geo., is the Company's qualified person for its Argentine resource properties. Dr. Richards was the president of Salta Exploraciones S.A (SALTA) incorporated in the Republic of Argentina, from inception to 2006. Dr. Richards was responsible for all administration and exploration activities of SALTA. From 2006 to 2007 Dr. Richards acted as Vice President of Exploration for SALTA.

During the 2003 to 2007 period, SALTA was funded by a Canadian private company that had certain common directors with Cascadero. The Canadian private company provided about US$2.6 million to SALTA. From 2003 to 2007, SALTA reviewed over 100 Argentine mineral properties and acquired exploration rights to over 40 properties. Dr. Richards was also a director of Cascadero for a short period during 2005.

Dr. Richards currently acts as a consultant to Cascadero and SALTA and reviews and approves all news releases published by Cascadero on SALTA's properties. A detailed description of the SALTA mineral property portfolio can be viewed in Cascadero's 2007 Information Circular dated Oct 23rd 2008.

2006

In 2006, SALTA optioned 100% of its interest in the Castor-Quevar silver prospect to Silex Argentina SA, a wholly owned subsidiary of Golden Minerals Company, formerly Apex Silver Mines Limited (Denver, Colorado). Silex made a US$100,000 payment with respect to this option agreement Silex can earn 100% of SALTA's interest in Castor-Quevar by paying a total of US$2,000,000 over five (5) years. SALTA retains a 1% net smelter return royalty (NSR), 50% of which can be purchased for US$1,000,000.

2007

During the fiscal year ended November 30th 2007 SALTA conducted preliminary exploration work on 11 of its Argentine properties incurring exploration expenditures of approximately US$185,000. Five of the properties, La Sarita, Valle Grande, Taron, FRUSO and Incamayo, accounted for just over 56% of the exploration expenses. The Society also carried out additional regional prospecting and sampling at a cost of US$55,000. Cascadero advanced exploration funds to SALTA during this period.

In March 2007, Silex made its first anniversary payment of US$50,000 on the Castor-Quevar property option agreement.

2008

On Jan 31st 2008, SALTA entered into option agreement with Metropolitan Mining Inc (METRO) on its 100% owned FRUSO copper-gold porphyry prospect. METRO has the right to earn a 60% interest in the property by US1, 250,000 of exploration, paying US$25,000 and issuing 200,000 common shares. In late 2007, METRO completed IP/Resistivity and ground Magnetic geophysical surveys that outlined an anomaly that was considered a viable exploration drill target. In late 2008, METRO completed four core holes on the property. All holes encountered porphyry that contained copper-gold mineralization. In March 2009, METRO verbally committed to paying the first anniversary (second) option payment (US$25,000) due March 31st 2009, of which US$15,000 was paid and US$10,000 was deferred to June 30, 2009.

The first phase of core drilling was successful and encountered significant intervals of low grade copper-gold mineralization. A second drill program is under consideration.

In March 2008, Silex made its second anniversary payment of US$100,000 on the Castor-Quevar property option agreement.

In July, the private Canadian company sold its interest in SALTA to SESA Holdings LLC (Nevada) (SESA) and SESA entered into an agreement with a Brazilian company that has the right to earn a 50% interest in SESA by advancing exploration funds of US$ 3.0 million before July 2010. To March 12th 2010, the Brazilian company has advanced US$2.4 million and has committed to complete the US$3.0 commitment before March 31st 2010.

Subsequent to the above cited financing, SALTA initiated an exploration program focused on its large tonnage and more developed prospects, which included Llullaillaco, Valle Grande, La Sarita and Guadalquivir. Work on those properties commenced in the latter part of August 2008.

In October 27th 2008, Silex Argentina SA optioned the Viejo Campo property from SALTA. Silex can earn a an 60% interest in Viejo Campo by spending US$1,000,000 over a four year term and paying SALTA a total of US$600,000. If Silex elects to acquire a 60% interest in the property, it can at its discretion elect to form a 60/40 joint venture or acquire an additional 20% interest in the property by taking the property to feasibility stage within three (3) years and paying to SALTA US$250,000. If Silex elects to from a 60/40 joint venture SALTA has a onetime option to convert its 40% interest into a 3% NSR on precious metal and a 1% NSR on base metal. Silex has the right to acquire 50% of the precious metal NSR for US$2 million and 50% of the base metal NSR for US$1 million within the first three years of commercial production. As of March 12th 2010, a second phase drill program is currently underway.

Between August and November 2008, SALTA completed the first phase of a three phase program and conducted preliminary exploration work the four properties incurring a total exploration expenditure of approximately US$510,000. All four properties were subject to geophysics in an effort to define drill targets but one program was abandoned due to technical difficulties. A fifth property, Taron, was ready for core drilling and this was planned to commence in April 2009.

Of the four properties, two require additional work such as detailed mapping, sampling, mineralogy, alteration studies and further geophysics. At year end, three of the properties, Taron, La Sarita and Valle Grande were ready to drill.

2009

On March 9th 2009, Silex made its third anniversary payment of U$200,000 to SALTA with respect to the Silex agreement for SALTA's Castor-Quevar II property.

SALTA decided to drill test two properties: Valle Grande and Taron, which was subject to extensive exploration totaling about US$450,000 in 2004, 2005 and 2006. The properties will be drilled consecutively starting in April 2009. The drill program for both properties is budgeted for up to US$1.2 million and up to 4,650 metres of HQ core drilling. Financing is forwarded to SALTA from SESA HOLDINGS LLC and Cascadero is not responsible for any part of this budgeted amount. SESA HOLDINGS is adequately financed to complete the proposed program.

In October 2009, Silex made its first anniversary payment of US$100,000 on the Campo Viejo property option agreement.

Valle Grande

The property was subject to two core holes. Visual inspection of the core was discouraging and the program was aborted. Assays from the two drill holes confirmed the decision to abandon the program early as the assays were well below expectations.

Guadalquivir

Once the Valle Grande program was aborted, management decided to drill one core hole at Guadalquivir subject to permitting. SALTA applied to the Minister of Mines, Salta Province, for an emergency permit, which was granted. Guadalquivir is about 15 kms north of Valle Grande. The single core hole G-01-09, was abandoned at 64 metres due to caving and lost circulation. Assays from G-01-09 were reported in a Company news release of August 10th 2009. The results indicate that Guadalquivir is a promising Lithium discovery in an evaporate setting. It encountered significant Lithium values over a 46 metre interval and the drill hole ended in mineralization. The mineralized interval is not in brine. A 30kg bulk sample from the drill core was shipped to Vancouver BC for metallurgical work.

Taron

Epithermal style mineralization anomalous in alkali metal, zinc and silver was discovered by SALTA geologists and prospectors in 2004. In 2005 and 2006, SALTA's work included about 56,000 metres of hand and excavator trenching across the mesa and down its western bluff. The trenches outlined a potential resource in three dimensions. Approximately US$500,000 was spent on trenching and sampling. Metallurgy was conducted by SGS, Lakeview Ontario. The program was funded by a major USA based international oilfield supply company.

This work suggested the presence of an epithermal system that is approximately 1,600 metres north-south by 1,000 metres east-west and has ~70 metres of vertical relief, which could host a potentially large volume of Cs-Rb-Zn-Tl-Ag mineralization. Initial metallurgical work suggests that the mineralization has excellent kinetics with both sulphuric acid and sodium hydroxide as solvents.

In May 2009, SALTA completed seven core holes on the property. Each drill hole encountered highly anomalous Cs-Rb-Zn-Tl-Ag mineralization over significant intervals. A block model is currently underway that incorporates all drill and trench data. Once completed and interpreted the Company intends to formalize the geological and assay data with the metallurgical information a NI 43-101 compliant Technical Report.

The property is subject to a letter agreement with an USA based Oilfield Supply Company, which has the right to review the assays from drill core and to propose a mutually agreeable joint venture to further explore and to develop the property. The right of the Oilfield Supply Company is restricted to the alkali metal in the mineralization.

The property is located in north western Argentina in the southern part of the Ochaqui Basin.

Other

Exploration, including geophysical programs, mineralogy and geochemistry is ongoing on other properties in the SALTA portfolio with a view to developing drill targets and properties for option to third parties.

2010

In January 2010, SALTA and its Brazilian partner agreed on a 5,600 metre drill program on two copper-gold porphyry prospects and one bulk tonnage gold and silver prospect. Mobilization is planned for the third week of March and the drill program should be complete in 120 days. The program is budgeted for a total expenditure of US$1.6 million and Cascadero is required to advance US$ 500,000 of this.

In January, Silex announced that a second stage drill program on Campo Viejo is underway.

As of Mar 12th 2010, on SALTA's Castro-Quevar II silver prospect, Silex announced it had completed in excess of 38,500 metres of core drilling, which has outlined potential open pit and underground mineralized zones that contain an inferred resource of 43 million ounces of silver at a grade of approximately 450 g/tn silver. Golden Minerals is conducting further resource evaluation drilling and is preparing a pre-feasibility study. The NI 43-101 compliant Technical Report on the El Quevar project is available the public website www.SEDAR.com

In March 2010 SALTA received its third anniversary payment of US$500,000 from Golden Minerals Inc (Silex Argentina) as a property payment for Castor-Quevar II.

The planned exploration program on La Sarita completed 3 of 4 planned drill holes. The core is sawn and shipped to the Salta Exploraciones Galpon in Salta City. Sample preparation is underway. Assays from ACME Analytical in Vancouver BC are expected within 6 weeks. Preparations to continue the planned exploration on Las Cuevas and Las Burras are underway and work is expected to re-commence in early May.

There is a meeting planned for mid-May with certain first nations with respect to the Company's Toodoggone properties and their continued exploration.

Selected Annual Information

	November 30 2009	November 30 2008
Working capital	$ 1,153,846	$ 1,652,726
Deficit	(4,956,954)	(3,280,843)

Results of Operations

The Company incurred a loss of $1,676,111 (2008 - $467,243) during the twelve month period ended November 30, 2009. Some of the significant expenses are as follows: paid or accrued $58,875 (2008 - $19,670) in accounting and audit, $42,552 (2008 - $6,220) in legal fees, $160,000 (2008 - $120,000) in management fees and $792,874 (2008 - $179,550) in share-based compensation.

Summary of Quarterly Results
Three Month Period Ended

	February 2010	November 30 2009	August 31 2009	May 31 2009
Total assets	$ 11,430,024	$ 11,541,753	$ 12,331,682	$ 12,565,262
Mineral properties	9,543,974	9,543,974	10,496,874	10,496,826
Working capital	1,050,357	1,153,846	1,097,846	1,496,831
Shareholders equity	11,168,693	11,352,771	12,078,432	12,143,689
Revenues	832	23,169	2,224	3,622
Net loss	(194,911)	(1,395,771)	(65,257)	(123,428)
Net loss per share	(0.002)	(0.014)	(0.001)	(0.001)

Three Month Period Ended

	February 28 2009	November 30 2008	August 31 2008	May 31 2008
Total assets	$ 12,409,101	$ 11,758,096	$ 11,875,073	$ 10,125,944
Mineral properties	10,242,658	9,542,455	9,473,999	9,473,999
Working capital	1,651,974	1,652,726	1,843,305	54,109
Shareholders equity	12,224,643	11,616,552	11,603,699	9,915,260
Revenues	7,698	12,018	9,769	-
Net loss	(91,935)	574,407	(812,821)	(124,951)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.00)

Results of Operations

For the three month period ended February 28th 2010, the Company had revenues of $832 in interest income. Significant expenses incurred during the three month period ended February 28th, 2010 are as follows: $40,000 (2009 - $40,000) in management fees, $19,260 (2009 – $7,000) in consulting fees, $31,181 (2009 - $9,548) in general and administration and $79,908 (2009 - $nil) in SESA Holdings equity interest.

Liquidity

The Company finances its activities by raising capital in the equity markets and has no regular source of revenue or cash flow. The Company is dependent upon its ability to obtain the necessary financing to generate sufficient amounts of cash and cash equivalents, in the short and long term to meet its obligations as they become due and finance its exploration programs.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

Net cash used in operating activities for the period consists primarily of the operating loss and a change in non-cash working capital.

Net cash used for operating activities for the three month period ended February 28th, 2010 was $(45,292) compared to net cash used for operating activities of $123,839 for the three month period ended February 28th, 2009.

Financing activities for the three month period ended February 28th, 2010 was $(15,190) compared to financing activities of $122,349 for the three month period ended February 28th, 2009.

Investing activities provided cash of $20,102 during the three month period ended February 28th, 2010 compared to $(701,490) for the three month ended February 28th, 2009.

Capital Resources

In order to meet its obligations to the holders of the flow-through shares, the Company is committed to carry out approximately $2,613,575 (2007-$1,965,345) in exploration expenditures.

Related Party Transactions

Amounts due from a related company are from Stealth Minerals Limited which are unsecured, bear interest at 7.5% per annum and are due on demand. At February 28th, 2010, Stealth Minerals owned 23.49% (2008: 22.1) of the Company.

During the first quarter of the year, the Company paid $46,000 (2009 - $46,000) to a director and other related parties of the Company for management fees, administrative services and financing services. Financing services have been recorded to share issue costs. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable is $217,257 (November 30th, 2009 - $151,559) due to a director and other related parties of the Company.

Financial Risk Factors

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:
Credit risk

Credit risk is the risk of loss associated with counterparty’s inability to fulfill its payment obligations. The Company’s believes it has no significant credit risk.

Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US Dollars (US).

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company’s earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

New Accounting Policies

Assessing Going Concern

Effective January 1st 2008, the Company adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 1400, which includes requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section relates to disclosures and will not have an impact on the Company’s financial results.

Financial Instruments

Effective January 1st 2008, the Company adopted CICA Handbook Section 3862, *Financial Instruments – Disclosures,* which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments – Recognition and Measurement,* Section3863, *Financial Instruments – Presentation,* and Section 3865, *Hedges.* Section 3862 relates to disclosures and will not have an impact on the Company's financial results.

Effective January 1st 2008, the Company adopted CICA Handbook Section 3863, *Financial Instruments – Presentation,* which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section carries forward standards that were previously established in Section 3861relating to the presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. Section 3863 relates to disclosures and will not have an impact on the Company's financial results.

Capital Disclosures

Effective January 1st 2008, the Company adopted CICA Handbook Section 1535 "Capital disclosures". The section specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This section relates to disclosures and will not have an impact on the Company's financial results.

Recent accounting pronouncements

Goodwill and Intangible Assets

In February, 2008, the CICA issued this new section to replace Section 3062, Goodwill *and Other Intangible Assets*, and establish standards for the recognition, measurement, and disclosure of goodwill and intangible assets. In addition, the CICA issued amendments to Section 1000, *Financial Statement Concepts* and AcG 11. *Enterprises in the Development Stage* and withdrew Section 3450, *Research and Development Costs*. EIC 27, *Revenues and Expenditures during the Pre-operating Period* is no longer applicable for entities that have adopted CICA 3064. The mandatory effective date is for annual and interim financial statements for years beginning on/after October 1, 2008. This new requirement was adopted by the Company effective December 1, 2008. The adoption of this Section did not have an impact on the financial statements.

International financial reporting standards ("IFRS")

In February, 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to IFRS from GAAP will be required for publicly accountable enterprises effective for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011. The eventual changeover to IFRS represents changes due to new accounting standards. The transaction from current GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The Company is assessing the potential impact of this changeover and is developing its IFRS change plan, which will include project structure and governance, resourcing and training, analysis of key GAAP difference and a phase plan to assess accounting policies under IFRS as well as potential IFRS 1 exemption.

Current Outstanding Share Data April 29th 2010

Common shares (basic)	**98,094,612**
Options and Warrants	**8,149,000**
Common Shares (fully-diluted)	**116,243,612**

Stock Options as of April 29th, 2010

Number Issued November 30th 2009	Expired During the Period to Feb 28th 2010	Issued as of April 29th 2010	Exercise Price	Expiry Date
2,450,000	2,450,000	0		
1,080,000	0	1,080,000	$0.15	February 2, 2011
475,000	0	475,000	$0.15	November 29, 2011
500,000	0	500,000	$0.15	January 5, 2012
234,000	0	234,000	$0.10	April 16, 2013
5,410,000	0	5,410,000	$0.10	July 17, 2013
6,000,000	0	6,000,000	$0.10	April 8, 2014
1,500,000	0	1,500,000	$0.15	September 20, 2014
1,000,000	0	1,000,000	$0.15	November 5, 2014
18,649,000	**2,450,000**	**16,199,000**		

On January 4th 2010 2,450,000 stock options expired unexercised.

Warrants Issued as of April 29th 2010

Common Shares Issuable upon the Exercise of Warrants	Exercise Price	Expiry Date
19,500,000	$0.10	July 17, 2010

Risks and Uncertainties

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few mineral properties which are explored ultimately develop into producing mines. There has been no commercial production of minerals on properties held by the Company to date and there is a high degree of risk that commercial production of minerals will not be achieved.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), 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 mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Company are subject to all of the risks normally associated with the operation and development of mineral properties and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks and insurance may not be available for such risks.

The operations of the Company’s properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company’s mineral properties may have material adverse impact on operations.

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to fund its operations in the future will depend on the prevailing market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

Subsequent Events

On March 1, 2010, the Company entered into an agreement with a consultant with respect to investor relations and shareholder communications. The agreement is for a renewable six month contract for a fee of US $23,000. In addition, the Company has issued the consultant a series of stock options to acquire common shares of the Company, including 200,000 shares at US$0.20 per share, 250,000 at US$0.30 per share and 300,000 shares at $0.40 per share over the term of the agreement and its applicable extensions. There is a four month hold on all options.

On March 3, 2010, the Company and Coralbrook Ltd. announced that they have agreed a US $1.6 million exploration program that includes up to 5,600 metres of core drilling on two copper-gold porphyry prospects and one sediment hosted gold-silver prospect.