

**MBA GOLD CORP.**  
THREE MONTHS ENDED APRIL 30, 2004  
MANAGEMENT DISCUSSION AND ANALYSIS

**1. Date**

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited financial statements of MBA Corporation ("MBA", or the "Company") for the three months ended April 30, 2003. This MD&A is prepared as of June 18, 2004. All dollars figures stated herein are expressed in Canadian dollars.

**2. Overall Performance**

MBA Gold Corp. (the "Company" or "MBA") is a precious metals mining company whose strategy is to acquire a portfolio of resource properties that have indicated mineral resources or require further exploration or development work. The World Beater gold property (as below) is the first project undertaken by MBA in furtherance of this strategy. As well the company has continued an aggressive search for new mining properties which meet its overall strategy of generating cash, or that have the potential to generate cash flow. The Company's increase of \$8,444 in *Deferred Exploration Costs* and \$17,155 in *Project Investigation Fees* is a reflection of this strategy.

The most significant achievement at this stage in the year has been our appointment of Endeavour Financial to provide us with financial advisory and corporate development services. Endeavour Financial has provided services to the mining industry for over 15 years. During the last 18 months alone Endeavour has assisted its clients with the completion of financings valued at over US \$1Billion.

On April 15, 2004 MBA appointed George Young to our Board of Directors. Mr. Young holds a PhD in Law as well as a degree in Engineering and has nearly 30 years of experience in the mining industry. George played a significant role in the acquisition, development, financing and operation of seventeen mining projects in North and South America. During the early 1990's, Mr. Young served as Vice President-Law of Canyon Resources Corporation (Amex:CAU) where he played a significant role in permitting and constructing the Briggs Mine, located less than 10 miles from MBA's World Beater Gold project.

**World Beater Project**

On November 5, 2002 the Company entered into an agreement with Compass Minerals Ltd., ("Compass"), whereby the Company has the option to acquire up to a 60% interest in the World Beater Gold Project. During the fiscal 2004, the Company earned its initial 30% interest by carrying out an exploration program of at least U.S. \$500,000 by December 2003. A further 30% interest can be earned by completing a pre-feasibility study on the property by September 30, 2004 subject to extensions if further drilling is felt warranted. Compass could retain the remaining 40% interest as a joint venture partner if it elects to contribute to the cost of a bankable feasibility study, otherwise Compass's interest will be converted to 20% carried interest and the Company will acquire the remaining 20% interest.

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**Market Trend**

Gold prices improved significantly in 2003, averaging about US\$364/oz for the year. The upward trend has continued in 2004, with the gold price averaging approximately US\$400/oz for the year to date.

**3. Selected Annual Information**

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles, and are expressed in Canadian dollars.

<b>Balance Sheet</b>	<b>As at January 31 2004 audited</b>	<b>As at January 31 2003 audited</b>	<b>As at January 31 2002 audited</b>
Current assets	104,512	15,970	21,933
Other assets	1,039,906	179,352	1
<b>Total assets</b>	<b>1,144,418</b>	<b>195,322</b>	<b>21,934</b>
Current liabilities	71,189	20,122	55,624
Shareholders' equity	1,073,229	175,200	(33,690)
<b>Total shareholders' equity &amp; liabilities</b>	<b>1,144,418</b>	<b>195,322</b>	<b>21,934</b>
<b>Operations</b>	<b>Year ended January 31 2004</b>	<b>Year ended January 31 2003</b>	<b>Year ended January 31 2002</b>
Accounting and audit	21,377	7,084	28,391
Amortization	3,936	-	-
Consulting	155,579	80,096	37,859
Insurance	-	-	41,065
Investor relations	70,605	-	-
Legal	2,116	30,436	33,273
Office	77,517	41,107	30,587
Project investigation fees	-	9,260	-
Rent (recovery)	11,499	-	(7,765)
Transfer agent and filing fees	39,053	-	-
Foreign exchange loss	24,324	-	-
Interest (income)	(3,258)	(777)	-
	<b>(402,748)</b>	<b>(167,206)</b>	<b>(163,410)</b>
Basic and diluted loss per share	\$ (0.04)	\$ (0.03)	\$ (0.05)
Weighted-Average number of shares Outstanding	9,457,732	5,834,006	3,168,810

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**4. Results of Operations**

Expenses during the last quarter of 2004 included a write-off of consulting fees of (\*) charged by the Company's former CEO, which fees had previously been allocated to the World Beater Project. The former CEO was terminated during the quarter. The increase from the first quarter of 2004 was due primarily to increased project development and investor relations costs. These costs were partially offset by a decrease in the Company's regulatory office expenditures. All other costs for the quarter remained constant when compared to last quarter.

The Company's initial phase of exploration on the World Beater Gold project completed in the fourth quarter of fiscal 2004 and the Company's operations, were focused on the analysis and interpretation of the results of this program. The main expenditures during the quarter were administrative cost including management, consulting fees and investor relations costs. Aggregate consulting fees during the quarter decreased to \$26,057 compared to \$28,500 in the first quarter of 2004, investor relations costs increased to \$23,178 compared to \$0 in the first quarter of 2004. The Company was 'Activated' on the TSX Venture Exchange during the second quarter of the Company's 2004 fiscal year. Project investigation fees during the quarter increased to \$17,155 from \$0 in the first quarter of the Company's 2004 fiscal year.

**5. Summary of Quarterly Results**

The interim financial statements have been prepared in accordance with generally accepted accounting principles, and are expressed in Canadian dollars.

	Apr 30 2004	Jan 31 2004	Oct 31 2003	Jul 31 2003	Apr 30 2003	Jan 31 2003	Oct 31 2002	Jul 31 2002
Current assets	72,432	104,512	334,497	790,780	28,516	15,970	91,968	154,520
Other assets	1,046,656	1,039,906	946,018	517,724	240,611	179,352	1	1
<b>Total assets</b>	<b>1,119,088</b>	<b>1,144,418</b>	<b>1,280,515</b>	<b>1,308,504</b>	<b>269,127</b>	<b>195,322</b>	<b>91,969</b>	<b>154,521</b>
Current liabilities	43,818	71,189	169,025	18,083	179,106	20,122	5,262	14,769
Shareholders' equity	1,075,270	1,073,229	1,111,490	1,290,421	90,021	175,200	86,707	139,752
<b>Total shareholders' equity and liabilities</b>	<b>1,119,088</b>	<b>1,144,418</b>	<b>1,280,515</b>	<b>1,308,504</b>	<b>269,127</b>	<b>195,322</b>	<b>91,969</b>	<b>154,521</b>

During the quarter ended July 31, 2004 the Company completed a short form offering raising gross proceeds of \$1,275,000. It was also during this quarter that the Company commenced the first stage of the planned exploration program on the World Beater gold project.

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	Apr 30 2004	Jan 31 2004 audited	Oct 31 2003	Jul 31 2003	Apr 30 2003	Jan 31 2003 audited	Oct 31 2002	Jul 31 2002
<b>Expenses:</b>								
Accounting and audit	6,498	14,101	7,276	1,929	4,100	6,250	250	584
Amortization	1,694	2,744	1,192	-	-	-	-	-
Wages, benefits & consulting	26,057	126,579	29,000	(10,400)	28,500	57,596	22,500	15,500
Investor relations	23,178	27,511	43,094	-	-	-	-	-
Legal	4,498	(13,087)	15,203	(13,871)	14,808	6,753	18,050	2,638
Office	9,412	32,799	44,718	17,472	34,266	13,317	4,599	15,133
Project investigation fees	17,155	-	-	-	-	1,390	7,870	4,150
Rent (recovery)	5,463	8,968	2,531	-	3,505	-	-	-
Stock option expense	-	-	-	-	-	-	-	16,461
Transfer agent and filing fees	6,454	30,768	8,285	-	-	-	-	-
Foreign exchange loss	-	(910)	25,234	-	-	-	-	-
Interest (income)	-	(706)	(2,552)	-	-	(553)	(224)	-
<b>Loss for the period</b>	<b>100,409</b>	<b>228,767</b>	<b>173,981</b>	<b>(4,870)</b>	<b>85,179</b>	<b>84,753</b>	<b>53,045</b>	<b>54,466</b>
Basic diluted loss per Share	<b>.01</b>	<b>.02</b>	<b>.02</b>	<b>.00</b>	<b>.02</b>	<b>0.1</b>	<b>.01</b>	<b>.01</b>
Weighted average number Of common shares outstanding (thousands)	<b>11,722</b>	<b>9,458</b>	<b>8,699</b>	<b>7,979</b>	<b>7,435</b>	<b>5,834</b>	<b>5,306</b>	<b>5,447</b>

Corporate operating expenses increased accordingly during the quarter ended July 31, 2004 consistent with the completion of a short form offering and the commencement of exploration on the World Beater gold project. Results for this quarter were also impacted by the fact that certain consulting fees were allocated to the World Beater gold project and certain legal fees were allocated to share issuance cost.

## 6. Liquidity

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company has issued common share capital pursuant to private placement financings and exercise of warrants and options. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of the continued access to significant equity financing.

At April 30, 2004, the Company had working capital of approximately \$28,614 which is sufficient to fund its immediate known commitments. As the Company chooses to proceed on its exploration program at the World Beater gold project and its pursuit of other potential acquisitions, it will need to raise additional funds for such expenditures.

The Company has no long term debt, capital lease obligations, operating leases or any other long term obligations.

The Company has no "Purchase Obligations" defined as any agreement to purchase goods or services that is enforceable and legally binding on the Company that specifies all

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significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the proximate timing of the transaction.

## **7. Capital Resources**

The Company had no commitments for capital expenditures as of April 30, 2004

On November 5, 2002 the Company entered into an agreement with Compass Minerals Ltd. described in "2 Overview" of this MD&A, whereby the Company can acquire a 60% interest in the World Beater Gold Project.

The Company has no lines of credit or other sources of financing which have been arranged at this time.

## **8. Transactions with Related Parties**

Koele Capital Corp, of which the President and CEO is a shareholder was paid \$15,000 in consulting fees for the quarter. The Company has an ongoing contractual arrangement with Koele Capital Corp to continue monthly consulting fees at \$5,000/mth.

## **9. Proposed Transactions**

The Company has no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business before the board of directors for consideration.

## **10. Changes in Accounting Policies including Initial Adoption**

The Company has adopted the standard in CICA Section 3870, Stock-based Compensation and Other Stock-based Payments, for accounting for stock options, as disclosed in Note 6 (c) of its annual audited financial statements.

## **11. Other MD& A Requirements**

Additional information relating to the Company, is available on Sedar at [www.sedar.com](http://www.sedar.com).

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

- (a) Capitalized or expensed exploration and development costs;
  - The required disclosure is presented in the Consolidated Balance Sheets – DEFERRED EXPLORATION COSTS (Note 3)

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- (b) Expensed research and development costs
- The required disclosure is presented in the Consolidated Statements of Loss and Deficit – Project investigation fee
- (c) Deferred development costs;
- Not applicable
- (d) General and administration expenses; and
- The required disclosure is presented in the Consolidated Statements of Loss and Deficit
- (e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d);
- Not applicable

**Disclosure of Outstanding Share Data**

- (a) Securities issued during the period:

Issue Date	Type	Type of Issue	Number	Price Per Security	Total Proceeds	Consideration
Mar 2004	Common	Exercise of options	25,000	\$0.15	\$3,750	Cash
Apr 2004	Common	Exercise of warrants	940,000	\$0.105	\$98,700	Cash

- (b) Summary of options granted and cancelled during the period:

Date	Number	Name of Optionee	Exercise Price	Expiry Date
Apr 20, 2004	1,000,000	Employees, Directors and Consultants	\$0.45	April 20, 2009

- (c) Summary of securities as at the end of the period

Authorized capital:

Class	Par Value	Number
Common	No par value	Unlimited

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Issued and outstanding capital:

Number	Amount
12,646,498	\$10,017,154

Summary of options, warrants and convertible securities outstanding:

Security	Number	Exercise Price	Expiry Date
Options	1,000,000	\$0.45	April 20, 2004
Options	425,000	\$0.15	June 3, 2007
Options	350,000	\$0.55	August 6, 2008
Warrants	600,000	\$0.105	May 22, 2004
Warrants	1,738,500	\$0.50	June 24, 2004

Number of shares in escrow or pool at end of year:

As at February 24, 2004 25,252 shares of the Company remaining in escrow were cancelled.

## 12. Forward Looking Statements

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

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Cameron White, President & Chief Executive Officer

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Steven Cheikes, Director

*The Company’s auditor’s have not reviewed the MD&A or the unaudited quarterly financial statements to which the MD&A relates.*

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