

**MBA GOLD CORP.**  
**SIX MONTHS ENDED JULY 31, 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 six months ended July 31, 2003. This MD&A is prepared as of September 28, 2004. All dollars figures stated herein are expressed in Canadian dollars.

**2. Overall Performance**

MBA Gold Corp. (the "Company" or "MBA") is a natural resource company whose strategy is to acquire a portfolio of resource properties that have established resource potential and 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, natural gas and oil properties which meet its overall strategy of generating cash, or that have the potential to generate cash flow. The Company's increase of \$48,091 in *Deferred Exploration Costs* and \$64,894 in *Project Investigation Fees* is a reflection of this strategy.

During the first quarter of the 2005 fiscal year MBA appointed of Endeavour Financial to provide the Company with financial advisory and corporate development services. Endeavour Financial has provided services to the natural resource 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 July 15, 2004 MBA appointed David Farrell and Tim Gamble to MBA's Board of Directors. Mr. Farrell and Mr. Gamble join Cameron White, Steven Cheikes and George Young on the board. Mr. Farrell is a Vice President of Endeavour Financial, a private investment banking firm providing advisory services to small and mid-tier global mining companies. Tim Gamble is a founding partner and CEO of Thunderbird Films. Thunderbird is financier, foreign sales agent and producer of both television and film product based in Vancouver, BC.

**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.

**Dover and Gautreau Oil and Gas Project**

On August 18, 2004 the Company entered in an agreement with Contact Exploration Inc. (TSX-V: CEX) of Calgary, Alberta to farm in on the Dover and Gautreau on-shore oil and gas projects in Eastern New Brunswick.

**Market Trend**

Gold prices improved significantly in 2003, averaging approximately US\$364/oz for the year. The upward trend has continued in 2004, with the gold price averaging approximately US\$410/oz for the year to date. In addition oil prices have increased by over 75% in the last year and the long term price trend for natural gas is up.

**MBA GOLD CORP.**  
**SIX MONTHS ENDED JULY 31, 2004**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**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>Year ended January 31 2004</b>	<b>Year ended January 31 2003</b>	<b>Year ended January 31 2002</b>
<b>Operations</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

**4. Results of Operations**

The main expenditures during the quarter were project investigation fees, wages benefits and consulting, and general office expenses. Project investigation fees increased to \$40,982 as compared to \$0 in the prior comparable quarter. Prior period project costs all related to the World Beater project and were capitalized in accordance with the companies accounting policy. Current project investigation costs were costs incurred by the Company to assess other potential projects but which the company has subsequently determined to be

**MBA GOLD CORP.**  
**SIX MONTHS ENDED JULY 31, 2004**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

not viable. Wages benefits and consulting fess increased to \$21,172 as compared to \$(10,400) in the prior period. The negative expense balance in the second quarter of 2004 was the result of a reallocation of the prior CEO's consulting fees to the World Beater project. The negative legal fees noted in second quarter of 2004 were also the result of a reallocation. Investor relation costs increased to \$8,000 as compared to \$0 in the prior period, this was the result of the company paying a monthly fee to an investor relations media guide which was initiated in the third quarter of fiscal 2004. The rent for the quarter was \$5,463 as compared to \$0 in the prior comparable period as result of the company moving into its new premises.

**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. During the quarter ended July 31, 2003 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.

	Jul31 2004	Apr 30 2004	Jan 31 2004	Oct 31 2003	Jul 31 2003	Apr 30 2003	Jan 31 2003	Oct 31 2002
Current assets	63,361	72,432	104,512	334,497	790,780	28,516	15,970	91,968
Other assets	1,085,995	1,046,656	1,039,906	946,018	517,724	240,611	179,352	1
<b>Total assets</b>	<b>1,149,356</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>
Current liabilities	58,653	43,818	71,189	169,025	18,083	179,106	20,122	5,262
Shareholders' equity	1,090,704	1,075,270	1,073,229	1,111,490	1,290,421	90,021	175,200	86,707
<b>Total equity and liabilities</b>	<b>1,149,356</b>	<b>1,119,088</b>	<b>1,144,418</b>	<b>1,280,515</b>	<b>1,308,504</b>	<b>269127</b>	<b>195,322</b>	<b>91,969</b>
<b>Expenses:</b>								
Accounting and audit	3,939	6,498	14,101	7,276	1,929	4,100	6,250	250
Amortization	1,793	1,694	2,744	1,192	-	-	-	-
Wages, benefits & consulting	21,172	26,057	126,579	29,000	(10,400)	28,500	57,596	22,500
Investor relations	8,000	23,178	27,511	43,094	-	-	-	-
Legal	499	4,498	(13,087)	15,203	(13,871)	14,808	6,753	18,050
Office	11,411	9,412	32,799	44,718	17,472	34,266	13,317	4,599
Project investigation fees	40,982	17,155	-	-	-	-	1,390	7,870
Rent (recovery)	5,463	5,463	8,968	2,531	-	3,505	-	-
Transfer agent and filing fees	7,459	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>100,718</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>
Basic diluted loss per Share	.01	.01	.02	.02	.00	.02	0.1	.01
Weighted average number of common shares (thousands)	11,841	11,722	9,458	8,699	7,979	7,435	5,834	5,306

**MBA GOLD CORP.**  
**SIX MONTHS ENDED JULY 31, 2004**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**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 the 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 July 31, 2004, the Company had working capital of approximately \$4,709 which is sufficient to fund its immediate known commitments but will be insufficient to fund general corporate expenditures over the long-term. As the Company chooses to proceed on its exploration program at the World Beater gold project and its pursuit of other potential projects, it will need to raise additional funds to support both corporate and specific project 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 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 July 31, 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 or disclosed herein.

**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.

**MBA GOLD CORP.**  
SIX MONTHS ENDED JULY 31, 2004  
MANAGEMENT DISCUSSION AND ANALYSIS

**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)

**(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:**

- None

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

- None

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

Authorized capital:

Class	Par Value	Number
Common	No par value	Unlimited

Issued and outstanding capital:

Number	Amount
13,671,750	\$10,140,154

**MBA GOLD CORP.**  
**SIX MONTHS ENDED JULY 31, 2004**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

Summary of options, warrants and convertible securities outstanding:

<b>Security</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Options	950,000	\$0.30	July 15, 2009
Options	750,000	\$0.45	April 20, 2009
Options	25,000	\$0.15	June 3, 2007
Options	350,000	\$0.55	August 6, 2008

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

None

## **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.

"Cameron White"

Cameron White, President & Chief Executive Officer

"Tim Gamble"

Tim Gamble, Director

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