

TREASURE OAKES RESOURCES INC.
(Formerly Transpacific Resources Inc.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

The following management's discussion and analysis ("MD&A") of the financial position and results of the operations of Treasure Oakes Resources Inc. ("Treasure Oakes" or the "Company") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company, being the management's discussion and analysis for the year ended December 31, 2025 with comparatives for the same period a year earlier. This MD&A has been prepared in compliance with the requirements of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2025 and 2024, together with the notes thereto and auditor's report thereon. The information is presented in Canadian dollars, unless otherwise noted.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Information contained herein is presented as of April 8, 2026, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the "Board of Directors"), considered the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Additional information related to the Company is available for view under the Company's profile on SEDAR+ at www.sedarplus.ca.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements and information contained in this document constitute forward-looking information for purposes of applicable Canadian securities laws. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", and "believe", and similar words or phrases, are intended to identify forward-looking statements. Such statements reflect the Company's current forecasts, estimates and expectations, as they relate to the Company's views with respect to future events and are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by applicable law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by applicable law.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the section "Risk and Uncertainties" does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. All forward-looking statements herein are qualified by this cautionary statement.

OVERALL PERFORMANCE

Description of Business

Treasure Oakes is a Canadian-based exploration company focused on the exploration and development of its 100% interests in the Ferris Lake Property and Field of Dreams Property (each defined below) located in Ontario and Quebec. The Company may acquire additional properties in the future as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity financing or other financing arrangements or on realizing cash from the sale of assets.

At the annual and special meeting of the shareholders of the Company held on August 7, 2025, shareholders of the Company approved the consolidation of the outstanding common shares on the basis of one post-consolidation common share for up to twenty (20) outstanding pre-consolidation common shares as well as the Company's name change from Transpacific Resources Inc. to Treasure Oakes Resources Inc.

On October 15, 2025, the Company consolidated its common shares on a twenty (20) old common shares for one (1) new common share and completed the name change. Following the consolidation, the Company has 13,099,302 common shares outstanding.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, indigenous and community relations, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, and the risk factors noted under the headings "Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Information" included in this MD&A, management is not currently aware of any other trends, commitments, events or uncertainties that would be expected to have a material effect on the Company's business, financial condition or results of operations.

OUTLOOK

The Company's 2026 corporate and exploration plans are contingent upon the Company's success to complete an equity financing or making other financing arrangements in 2026.

The Company continues to work towards having its common shares traded on a Canadian stock exchange. The Company's geologists have completed surficial geological work including prospecting, geological mapping, sample collection, and geochemical analysis (assay and litho-geochemistry) on the Field of Dreams and Ferris Lake properties during the September-October 2025 field season. The Company also intends to undertake ground geophysical surveys on the properties during the 2026 field program. The Company will apply for the Ontario Junior Exploration Program (OJEP) grant through the Ontario government during the next intake period. Subject to availability of funding and provided that the OJEP grant is successful, the Company intends to complete a small drill program to test specific targets at the Ferris Lake property and/or the Field of Dreams property. The Company would also look to complete an airborne geophysical survey over the Quebec claims that form part of the Field of Dreams property. The Company also wishes to complete an airborne geophysical survey over the Ferris Lake property. Drilling permits are in place at both Ferris Lake and the Field of Dreams properties. If appropriate funds are raised, a 5 hole drill program will be planned for the Ferris Lake property and a 4 hole drill program will be planned to test Targets B and C on the Field of Dreams property for the 2026 field program. An early stage 43-101 report has been completed on the Ferris Lake property and has been filed on Sedar+.

On May 12, 2025, the Ontario Securities Commission, the British Columbia Securities Commission, and the Alberta Securities Commission (collectively, the "Commissions") have revoked their cease trade orders ("CTO") issued against the Company. The Company's securities were cease traded by the Commissions for failure to file annual financial statements and management's discussion and analysis for the year ended December 31, 2023.

Following the CTO revocation, Treasure Oakes held an annual general and special meeting of shareholders on August 7, 2025 at which time, the shareholders of the Company has approved, among other resolutions, a name change to Treasure Oakes Resources Inc. from Transpacific Resources Inc. and the consolidation of its common shares on the basis of up to twenty (20) old common shares to one (1) new common shares. The Company completed the name change and consolidation on October 15, 2025.

MINERAL PROPERTIES

Ferris Lake Property (Flagship Property)

The Ferris Lake property is comprised of 225 claims (~4640 ha). Claims are situated within Mond, Raymond, Halliday, and Midlothian Townships, in Northern Ontario. On November 12, 2025, the transfer of Ferris Lake Property mining claims from Transpacific Resources Inc to Treasure Oakes Resources Inc was completed on the Ministry of Lands Administration System (MLAS). On November 13, 2025, 3 claims were staked (claim numbers 983472, 983473, 983474) to merge the Midlothian South property with the Ferris Lake property to make the claims a contiguous unit. A 1% interest in Canada Nickel Company claim number 810776, cell 41P14H365 was granted to allow this merging. This new contiguous block of claims is comprised of 225 claims. On December 1 2025, a suite of samples were submitted comprising pieces of historic drill core (historic drill hole TM-99-001) along with geochemical pulp and reject material to a research facility in South Korea for preliminary study on potentiality of hydrogen and helium within the samples.

On October 30, 2025, the Company met virtually with Temagami First Nation to discuss intentions with exploration at the Company's Ferris Lake property in relation to permit number PR-25-000184. The parties had an open discussion with no concerns regarding our plans for work from Temagami First Nation. On December 10, 2025, the company met virtually with Mattagami First Nations regarding our permit on the Ferris Lake Property. An open discussion was had regarding permit number PR-25-000184. There were no concerns regarding our plan of action related to the exploration permit on the Ferris Lake Property. An Exploration Agreement from Mattagami First Nations is currently being reviewed. First Nations consultation will continue as the project advances.

An early exploration 43-101 has been completed on the Ferris Lake prospect with an effective date of October 15, 2025 and a signature date of December 9, 2025. A third party Professional Geologist (PGeo) completed the necessary steps to fulfill the requirements which included sampling of historic drill core, confirmation assays, and mineralogical investigation. The 43-101 can be found on SEDAR+ and on the Company website.

Field of Dreams Property

The Field of Dreams property is comprised of 174 claims on the Ontario side (~3722 ha) and 57 claims (~2560 ha) on the Quebec side. Claims are situated within Tannahill, Holloway, and Marriott Townships (Ontario); and the Lac Duparquet and Rapide-Danseur Municipalities (Quebec).

From October 17-24, 2025, Robert Dillman and Jim Renaud spent a week on the Field of Dreams property. Areas of interest were visited including historic mineral showings around McDiarmid Lake and sampling of carbonate horizons and quartz veins hosting sulphides. The property visit consisted of prospecting and mapping, sample collection for geochemistry and assay. Rocks have also been submitted for thin section making for mineralogical studies.

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On November 12, 2025, the transfer of Ferris Lake Property mining claims from Transpacific Resources Inc to Treasure Oakes Resources Inc was initiated on the Ministry of Lands Administration System (MLAS).

Between November 1 and December 19, 2025, a series of claims were staked by the Company including one on the west side of McDiarmid Lake and 19 claims on the eastern side of the Field of Dreams property, west of the Quebec border. The claims cover an intrusive body which may be associated with the mineral showings on the east side of McDiarmid Lake.

Permits for drilling of Targets B and C are in place and First Nations consultation have been initiated.

Qualified Person

The scientific and technical disclosures included in this MD&A have been reviewed and approved by Robert Dillman, P.Geol, a director and the Corporate Secretary of the Company, and a registered member of the Association of Professional Geoscientist of Ontario. Mr. Dillman is a Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the exploration expenses for the years ended December 31, 2025 and 2024.

Ferris Lake

Geology	60,486	-
Geophysics	1,500	92,947
Acquisition and staking	7,175	6,400
Total Ferris Lake	\$ 69,161	99,347

Field of Dreams

	2025	2024
Geology and prospecting	16,571	3,866
Geophysics	750	72,363
Government assistance	-	(40,950)
Acquisition and staking	103,700	-
Total Field of Dreams	\$ 121,021	35,279

Total Exploration Expenses	\$ 190,182	134,626
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SELECTED ANNUAL INFORMATION

	2025	2024	2023
	\$	\$	\$
Net Loss (Income)	582,644	848,420	(48,729)
Total Assets	217,792	802,058	24
Total Exploration Expenditures	190,182	134,626	-

SUMMARY OF QUARTERLY RESULTS

	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025	First Quarter 2025
	\$	\$	\$	\$
Total Assets	217,792	324,249	375,259	645,325
Exploration Expenses	15,048	41,540	24,419	109,175
Loss	69,760	79,178	228,844	204,862
Loss Per Share ⁽¹⁾	0.00	0.01	0.02	0.02

	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
	\$	\$	\$	\$
Total Assets	802,058	816,898	971,458	1,217,059
Exploration Expenses	(39,632)	75,311	98,947	-
Loss (Income)	8,995	112,193	126,817	(1,096,425)
Loss Per Share ⁽¹⁾	0.00	0.01	0.01	0.08
⁽ⁱ⁾ Loss per share remains the same on a diluted basis				

The Company had minimal operating activity over the past eight quarters. In Q2-2025, higher loss was mainly a result of the CTO revocation fees. In Q1-2024, the income was attributed to the gain on sale of the Company's interest in the Clay property.

RESULTS OF OPERATIONS

For the year ended December 31, 2025, the Company incurred a loss of \$582,644 (2024 – Income of \$848,420). The significant differences are explained as follows: In 2024, the income was attributed to the gain on sale of the Company's interest in the Clay property of \$1,090,642 (net of transaction costs). In 2025, the loss of \$582,644 was mainly related to the following factors: **1.** exploration expenses of \$90,182 as the Company acquired the Field of Dreams property for \$100,000 and completed geophysical work at the Ferris Lake property; **2.** Professional fees of \$120,133 attributable mainly to legal fees for the CTO revocation application and, **3.** Regulatory and transfer agent fees of \$186,916 related to Canadian regulatory fees and also attributable to the CTO revocation.

LIQUIDITY AND CAPITAL RESOURCES

The Company is an early-stage mining exploration company and has not generated revenue to date. As such, it finances all of its operations entirely through the issuance of share capital, other than the sale of the Company's interest in the Clay property in 2024. The Company will need to raise additional capital to continue operations and there can be no assurance that its future efforts will likewise be successful. The success of future financing will depend on a variety of factors including a positive investment climate encompassing strong metal prices, solid stock market conditions, and a "risk-on" appetite among investors; and the Company's track record and management's ability and experience. If such financing is unavailable, the Company may be unable to execute its business plans. As at December 31, 2025, the Company has not earned any revenue and has an accumulated deficit of \$47,387,510. In order to reach sustainable business operations, the Company will be required to raise additional funds to advance its exploration projects and cover its general administrative costs.

The Company's cash and cash equivalents balance as at December 31, 2025 was \$202,919 which is sufficient to cover its operations and maintain the exploration claims for a minimum of 12 months. As at December 31, 2025, the Company had current assets of \$217,792, current liabilities of \$26,764 and a working capital of \$191,028. The Company plans to raise additional funds via flow-through issuances or other financing arrangements to support its exploration plans and working capital requirements.

As at December 31, 2025, the Company had amounts receivable and prepaid expenses totaling \$14,873 which included sales tax receivable of \$7,184 and prepaid expenses of \$7,689.

The December 31, 2025, financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company does not generate revenue and will require additional financing to fund planned exploration activities beyond 2026. There can be no assurance that funding will be available on acceptable terms.

Operating Activities

During the year ended December 31, 2025, the Company's operating activities used cash of \$564,090 mainly attributable to the operating loss for the year of \$582,644. Variations in amounts receivable and prepaid expenses and accounts payable and accrued liabilities accounted for the difference.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

General

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remains uncertain and could affect our overall liquidity.

TRANSACTIONS WITH RELATED PARTIES

a) *Remuneration of directors and the officers was as follows:*

For the years ended December 31,	2025	2024
Fees, salaries and benefits	\$ 41,250	\$ -
Director fees	1,875	-
Consulting fees	46,702	23,824
	\$ 89,827	\$ 23,824

For the year ended December 31, 2025, the salaries and benefits amount above includes \$41,250 (2024 - \$nil) for fees invoiced by a corporation controlled by the CFO of the Company for his services as CFO.

For the year ended December 31, 2025, the consulting fees amount above includes \$16,368 (2024 - \$nil) for consulting fees invoiced by a corporation for which a director is an employee, \$13,834 (2024 - \$nil) for fees invoiced by a corporation controlled by directors for consulting services, \$11,000 (2024 - \$nil) for fees invoiced by a corporation controlled by an officer and director for consulting services and \$5,500 (2024 - \$nil) for fees invoiced by a director for exploration consulting services. Also, during the year ended December 31, 2025, the Company incurred \$nil (2024 - \$23,824) in consulting fees to a director of the Company related to general corporate management matters. These services were all incurred in the normal course of operations.

Included in accounts payable and accrued liabilities at December 31, 2025 is \$2,573 (2024 - \$nil) owed to companies controlled by officers and directors of the Company. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

b) Mineral property acquisition

On January 3, 2025, the Company purchased the Field of Dreams property (see note 7) for \$100,000 from Goldenfire Minerals Inc. which is owned by two directors of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no transactions currently pending.

CHANGES IN ACCOUNTING POLICIES

New and future accounting policies and standards

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2026. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is assessing the impact of these standards on the consolidated financial statements.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the recoverable amount, being the higher of value in use and fair value less costs to sell in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

-Income and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Share-based payments and warrants

Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

-Tax credit receivable

The tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

FINANCIAL INSTRUMENTS

December 31,	2025	2024
Financial assets:		
Amortized cost		
Cash and cash equivalents	\$ 202,919	\$ 767,009
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	26,764	28,386

As of December 31, 2025 and 2024, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

Capital Management:

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and
- to maximize shareholders return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2025. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data

As of the date of this MD&A, the Company has the following securities issued and outstanding: 13,099,302 Common Shares, following the consolidation on October 15, 2025.

Risk and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined below, Transpacific has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Transpacific are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its planned future expenditures.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations are currently and in the future will be, as applicable, subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral-bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral resources and mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a gold or other mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of gold or other minerals will result in discoveries of commercial quantities of gold or other minerals.

Current Economic Conditions

There are significant uncertainties regarding the price of precious metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The prices of precious metals and other minerals have fluctuated substantially over the past several years. The Company's future performance is largely tied to the exploration and development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile for the remainder of the calendar year, reflecting ongoing concerns about the stability of the global economy and global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets for commodities other than gold. As a result, the Company may have difficulties raising equity financing or making other financing arrangements on favourable terms, or at all, for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Limited Operating History

The Company has a limited history of operations, is in the early stage of exploration and must be considered a start-up company. 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 lack of revenues. It is common in new mining operations to experience unexpected problems and delays. In addition, delays in the commencement of mineral production often occur. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or successfully establish mining operations and the likelihood of success must be considered in light of its early stage of operations.

Negative Operating Cash Flows

The Company does not have any projects that generate revenue at this time and has had negative operating cash flow in the past and anticipates having negative operating cash flow in future periods. The failure of the Company to achieve profitability and positive operating cash flows could have a material adverse effect on the Company's financial condition and results of operations. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow. The Company expects to continue to sustain operating losses in the future until it generates revenue from the commercial production of its mineral properties. There is no guarantee that the Company will ever be profitable.

Reliability of Mineral Resource Estimates

The Company does not currently have a mineral resource estimate for any of its properties. There is no certainty that any mineral resources identified in the future on any of the Company's properties will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of future estimated mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that any future gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in future estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition from time to time.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in exploration, monetary losses and possible legal liability.

Although the Company may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these

events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, 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 is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, as well as any future capital expenditures or production costs or reduction in levels of future production at any future producing properties or require abandonment or delays in development of new mining properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Land Title

No assurances can be given that there are no title defects affecting property or any other property interests of the Company. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including aboriginal land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Community Relations

The Company's relationships with the communities in which it operates are critical to the successful exploration, development, and any future construction and operation of its properties. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its exploration activities, operations, or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that the Company's efforts in this respect will mitigate this potential risk. The Company's projects may also be impacted by relations with various community stakeholders, and the Company's ability to develop related mining assets may still be affected by unforeseen outcomes from such community relations.

Indigenous Rights and Land Claims

The Company's properties may now or in the future be the subject of Indigenous rights or Indigenous land claims. The legal nature of Indigenous rights and Indigenous land claims is a matter of considerable complexity. The impact of any such rights or land claims on the Company's interest in its properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of any Indigenous rights or land claims in the areas in which the Company's properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities.

Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire additional attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The development and exploration of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or any future production on any or all of the Company's properties or even a loss of property interest. The primary source of funding available to the Company consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if and when needed or that, if available, the terms of such financing will be on terms favourable to the Company.

Commodity Prices

The value of the Company's common shares, the Company's financial results and exploration, development and mineral development activities may in the future be significantly adversely affected by declines in the price of precious metals or other minerals. The price of precious metals and other minerals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of precious metals or other minerals could cause continued exploration and development of and any future commercial production from the Company's properties to be impracticable. Depending on the price of precious metals and other minerals, any future cash flow from mining operations may not be sufficient and the Company could be forced to discontinue any future production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mineral exploration properties is dependent upon the prices of precious metals and other minerals being adequate to make these properties economic.

In addition to adversely affecting any future mineral resource or reserve estimates on the Company's properties, if any, and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not otherwise be applied in a manner which could limit or curtail any future production or development in any of the jurisdictions in which the Company operates. Amendments to other current laws and regulations governing mineral exploration and development or more stringent implementation thereof could also have a substantial adverse impact on the Company.

Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Dilution to the Company Common Shares

As of the date of this MD&A, the Company had 13,099,302 common shares outstanding. Any increase in the number of securities issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price or value of the common shares. In addition, as a result of the issuance of any such additional securities, the voting power of the existing shareholders in the Company will be diluted.

Key Executives

The Company is dependent on the services of key executives, including the directors of Transpacific and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Transpacific should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Transpacific and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws.

End of Management's Discussion and Analysis