CAP-EX VENTURES LTD.

Management Discussion and Analysis

Year Ended August 31, 2010

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as at December 24, 2010 and should be read in conjunction with the audited financial statements for the year ended August 31, 2010 of Cap-Ex Ventures Ltd. ("Cap-Ex" or the "Company") with the related notes thereto. Those audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

The Company was incorporated under the laws of the Canada Business Corporations Act (CBCA) on February 27, 2007 as "6727034 Canada Ltd." and subsequently changed its name to "Cap-Ex Ventures Ltd." Prior to fiscal 2010 the Company was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 as the Company was in the process of identifying and evaluating business opportunities with the objective of completing a "qualifying transaction" under TSX-V rules. Under these rules, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the TSX-V.

On January 14, 2008, the Company's shares began trading on the TSX-V Exchange, and its trading symbol is "CEV."

The Company closed its Qualifying Transaction on August 13, 2010 which consisted of the acquisition of its interest in the TAY-LP Property within the Tintina Gold Belt in the Yukon and a private placement of 4,772,727 units at a price of $0.11 per unit for proceeds of $525,000

Qualifying Transaction

The 24 month period for the Company to complete its Qualifying Transaction expired January 21, 2010. The Company applied for, and received, an extension to March 31, 2010 to complete its QT.

On March 22, 2010, the Company entered into an option agreement with Canarc Resource Corp. ("Canarc") to acquire a 50% interest in the TAY-LP Property within the Tintina Gold Belt in the Yukon Territory. The Company expects that the option agreement will constitute its Qualifying Transaction. Under the terms of the option agreement, the Company is required to make cash payments of $230,000 of which $55,000 have been made, make royalty payments of $50,000, issue 200,000 common shares and incur exploration expenditures of $675,000 on or before October 31, 2011. The transaction is subject to regulatory approval.

On March 31, 2010, the Exchange advised the Company that it has until June 30, 2010 to close the Qualifying Transaction. Trading in the Company's shares is halted and suspended pending Closing of the Qualifying Transaction.

On April 21, 2010, Andrew Bowering, President of the Company, advanced $30,000 to Canarc, on behalf of the Company due April 27, 2010 under the terms of the Option Agreement. Mr. Bowering's agreement with the Company with respect to these funds is that they would be paid to him on Closing and, if the Qualifying Transaction did not close, the Company would have no liability to him for the funds. The loan bears no interest and is repayable on April 12, 2012. The transaction was undertaken because of TSX-V limits on advances to targets for CPC companies and was disclosed to the TSX-V prior to advance of funds to Canarc and it was unlikely that the Company would have received TSX-V approval (freeing up its funds) prior to the April 27, 2010 due date of the payment.

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Discussion on Properties

Tay-LP Property, Yukon

The Tay-LP property is located within the Tintina Gold Belt approximately 75 kilometres south of the town of Ross River in the Yukon Territory. The property consists of 413 claims covering a 20 km-long by 4 km-wide belt of gold prospects (8,000 hectares) on which several million dollars have been spent on exploration since 1984.

Cap-Ex can earning a 50% interest in the Tay-LP property by making property payments totalling $230,000, issuing 200,000 common shares, spending $675,000 in exploration expenditures and maintaining the underlying option agreement in good standing until October, 2011.

In October 2010, the Company completed a 470 kilometre, helicopter-borne, VTEM geophysical survey over the Tay-LP gold property in the Yukon Territory. Upon receipt of the geophysical data and interpretive maps from the geophysical contractor, Geotech Ltd., the Company will prioritize the most favourable geophysical targets for follow-up, including more detailed ground geophysics, geological mapping and diamond drilling, in 2011.

Selected Annual Financial Information

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008
Operating Expenses	$ 132,152	$ 167,462	$ 165,818
Loss for the period	(107,086)	(167,462)	(165,818)
Loss per Share – Basic and Diluted	(0.01)	(0.04)	(0.05)
Total Assets	677,733	7,093	101,428
Long Term Liabilities	-	-	-
Cash Dividends Declared	-	-	-

Cash Flows From (Used In):

Operating activities	$	(197,014)	$	(103,603)	$	(138,321)
Investing activities		(59,600)		-		-
Financing activities		848,922		5,557		159,122
Net Increase (decrease) in cash	$	592,308	$	(98,046)	$	20,801

Results of Operations

During the year ended August 31, 2010, the Company recorded a loss of $107,086 compared to a loss of $167,462 for the year ended August 31, 2009. The significant changes during the year ended August 31, 2010 compared to the year ended August 31, 2009 are as follows:

Project investigation costs decreased to $828 during the year ended August 31, 2010 from $90,405 during the year ended August 31, 2009 as the Company continued evaluating a potential QT.

Rent decreased to $Nil during the year ended August 31, 2010 from $15,000 during the year ended August 31, 2009. The Company ended its rental agreement on February 28, 2009.

Professional fees increased to $60,751 for the year ended August 31, 2010 from $19,012 for the year ended August 31, 2009 as the Company closed its QT.

Transfer agent and filing fees increased to $27,329 for the year ended August 31, 2010 from $13,590 for the year ended August 31, 2009. The increase was due to the company completing two private placements during fiscal 2010.

Travel and related costs decreased to $11,628 during the year ended August 31, 2010 from the $24,638 incurred during the year ended August 31, 2009. The decrease was due minimal travel for the purpose of evaluating the QT. No trade shows were attended in fiscal 2010, as they were in fiscal 2009.

Forgiveness of Debt

During the fiscal year ended August 31, 2010, the Company incurred a gain on forgiveness of advances and accounts payable of $25,066; $Nil in fiscal year ended August 31, 2009. In January 2009, seven individuals advanced a total of US$141,000 to Zhu Zhong Neng and Chayouzhongqi Xingda Mining and Developing Company Ltd. ("Xingda"'), which was facilitated by the Company in anticipation of a Qualifying Transaction. The Company did not proceed with this transaction and ultimately recovered $5,557 from Xingda, which was to be returned to these seven individuals at August 31, 2009.

On February 28, 2010, these seven individuals, one of whom was a former director of the Company, forgave the $5,557 balance described above owed to them. On February 28, 2010, three creditors also forgave various accounts payable of $19,509 owed to them. No consideration was provided to these individuals in exchange for the forgiveness and, as a result, a gain of $25,066 was recognized for fiscal year ended August 31, 2010

Quarterly Information

The following table sets forth selected audited financial information prepared by management of the Company:

	Three Months Ended August 31, 2010	Three Months Ended May 31, 2010	Three Months Ended February 28, 2010	Three Months Ended November 30, 2009
Total assets	$ 677,733	$ 184,096	$ 201,234	$ 23,651
Deferred financing costs	-	-	-	-
Working capital (deficiency)	575,816	(122,604)	(181,120)	(61,819)
Loss and comprehensive loss for the period	(42,988)	(30,516)	(6,061)	(27,521)
Loss per share (basic and diluted)	(0.00)	(0.01)	(0.00)	(0.00)

	Three Months Ended August 31, 2009	Three Months Ended May 31, 2009	Three Months Ended February 29, 2009	Three Months Ended November 30, 2008
Total assets	$ 7,093	$ 140,732	$ 142,211	$ 82,014
Deferred financing costs	-	-	-	-
Working capital (deficiency)	(85,298)	(208,773)	(181,150)	26,205
Loss and comprehensive loss for the period	(11,968)	(27,623)	(71,912)	(55,959)
Loss per share (basic and diluted)	(0.00)	(0.01)	(0.02)	(0.01)

Fiscal 2008

During the first quarter of fiscal 2008, the Company was working towards its IPO. During the second quarter, the Company completed its IPO and commenced actively searching for a Qualifying Transaction. During the third quarter of fiscal 2008, the Company entered into a Letter of Intent dated April 6, 2008 with Swazi Gold Ventures (Pty) Ltd., to acquire a 74% beneficial interest in the CAPE-X Gold Project in South Africa. The stock was halted at the request of the Company on April 9, 2008. During the fourth quarter of fiscal 2008, the Company determined that its due diligence requirements for the CAP-EX Gold Project were not satisfied and determined not to proceed with the transaction and the incidental transactions that accompanied it.

Fiscal 2009

During the first quarter of fiscal 2009, the stock remained halted and the Company continued to actively pursue a QT in China with Chayouzhongqi Xingda Mining and Development Company Ltd. and incurred project investigation costs of $44,005. In January of 2009, seven individuals (“Creditors”) advanced a total of $141,000 to the Company with the intention that the Company should forward it to Zhu Zhong Neng and / or Chayouzhongqi Xingda Mining and Developing Company Ltd (“Debtor”) as a loan between the Creditors and the Debtors. The Company in turn advanced $135,443 to Debtor. in anticipation of a Qualifying Transaction. The balance of $5,557 remains due to these individuals. During the second quarter of fiscal 2009, the Company incurred additional expenditures totalling $38,759 in conjunction with its potential QT. During the third quarter the Company incurred a further $23,995 towards the potential QT. Negotiations with Chayouzhongqi Xingda Mining and Development Company Ltd. did not conclude successfully and the Company did not proceed with the transaction.

During the fourth quarter, at the request of the Company, the shares of the Company resumed trading on June 2, 2009. The Company continued to actively search for a Qualifying Transaction.

Fiscal 2010

During the second quarter the Company completed a non-brokered private placement of 6,000,000 shares at $0.05 for gross proceeds of $300,000. The former directors and officers (except for Andrew Bowering, who remains a director and President / CEO) resigned. They were replaced by Graham Harris (Director), Jasvir Kaloti (CFO), Ed Kruchkowski (Director) and Chris Farber (Director). In conjunction with these changes in the board of directors and management, the Company has made application to the Exchange to make a number of escrow transfers which would result in the Company's 2,000,000 escrowed common shares being held as follows: Jasvir Kaloti, 200,000 escrow shares; Graham Harris, 700,000 escrow shares, Ed Kruchkowski, 200,000 escrow shares; Chris Farber, 200,000 escrow shares; Andrew Bowering, 700,000 escrow shares. As at August 31, 2010, 6,808,909 common shares of the Company remain subject to escrow provisions.

Also, during the second quarter the Company announced that it had entered into a letter agreement (the “Letter Agreement”) to acquire Estrella Overseas Limited (“Estrella”). The Letter Agreement stipulated that the parties were to enter into a definitive agreement or the Letter Agreement would terminate. No definitive agreement was entered into and the Letter Agreement was terminated. Subsequently, On March 22, 2010, the Company entered into an Option Agreement with Canarc Resource Corp. to acquire a 50% interest in the TAY-LP Property in the Tintina Gold Belt in the Yukon Territory as its QT (see Qualifying Transaction section above).

During the third and fourth quarters, the Company was focused on closing its QT. The Company closed its Qualifying Transaction on August 13, 2010 and a private placement of 4,772,727 units at a price of $0.11 per unit for proceeds of $525,000

Subsequent Events

On October 19, 2010, the Company granted 1,400,000 stock options at $0.25 per share, exercisable for a period of 5 years to October 19, 2015, to certain directors, officers, employees and consultants.

On September 28, 2010, the Company made its $50,000 option and $25,000 royalty payment on its Tay-LP Property pursuant to the March 22, 2010 Option Agreement described in Note 5.

Pursuant to the Option Agreement described in Note 5, the Company is to incur $225,000 in exploration expenditures by October 31, 2010. On December 10, 2010, the Option Agreement was amended to extend this date from October 31, 2010 to June 30, 2011, and Canarc re-assumed the position as the Operator of the Property.

Liquidity and Capital Resources

The Company has financed its operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

As at August 31, 2010, the Company had a working capital position of $575,816 and a cash position of $595,690 while at August 31, 2009, the Company had a working capital deficiency of $85,298 and a cash position of $3,382. The increase in working capital of $661,114 was mainly due to issuance of equity in order to complete its QT.

Although the Company has cash of $595,690, it does not currently have any revenue generating assets or operations. The Company will require additional financial resources to explore, quantify and develop its mineral properties. The continued operations of the Company and the recoverability of the amounts reported for resource property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development programs, and upon future profitable production.

Related party transactions

During the initial organization period and current period, directors and officers provided services without remuneration. There have been no management service agreements or compensation plans established to date. The value of these services has not been quantified or recorded in the Company's financial statements.

On April 21, 2010, the Company entered into a loan agreement ("Loan Agreement") with the President of the Company whereby the President advanced $30,000 to Canarc Resource Corp on behalf of the Company pursuant to the March 22, 2010 Option Agreement (see Note 5). Under the terms of the Loan Agreement, the loan is non-interest bearing, unsecured and the amount becomes due and payable upon closing of its Qualifying Transaction. The Company's qualifying transaction closed on August 13, 2010.

On May 31, 2010, the Company and the President of the Company agreed to an amendment to the Loan Agreement whereby the loan would not be due and payable until April 12, 2012. The loan has been classified as non-current on the basis that the President alone cannot compel the Company to undertake an early repayment of the loan.

Off Balance Sheet Arrangements

The Company has no off Balance Sheet arrangements.

Adoption of new accounting standards

Effective September 1, 2008, the Company adopted the following new standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

CICA Handbook Section 1535 - Capital Disclosures
This section establishes standards for 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. The additional disclosures required by CICA 1535 are included in Note 11.

CICA Handbook Section 3862 and 3863 - Financial Instruments
These two standards replace the current standard, "Financial Instruments – Disclosure and Presentation" (Section 3861), revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how those risks are managed. The additional disclosures required by these standards are included in Note 10 to the annual financial statements.

CICA Handbook Section 1400 - General Standards of Financial Statements
This section requires management to make an assessment of the Company's ability to continue as a going concern, and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future which is at least, but not limited to, twelve months from the balance sheet date. The disclosure required by CICA 1400 is included in Note 1 to the annual financial statements.

Management has determined that the adoption of these new standards did not have a material impact on the financial statements of the Company, except for expanded disclosures in the notes to the annual financial statements.

Recent Accounting Pronouncements

Recent accounting pronouncements that have been announced but are not yet effective are as follows:

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, ("Section 1582"), 1601, Consolidated Financial Statements, ("Section 1601") and 1602, Non-controlling Interests, ("Section 1602") which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning September 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other relevant sections must also be adopted at the same time.

International financial reporting standards ("IFRS")

In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under IFRS for fiscal years beginning on or after January 1, 2011.

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

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Risk, Uncertainties and Outlook

As the Company is in the mineral resource acquisition and exploration industry, the Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and must access the capital markets to finance its activities.

There can be no assurances that the Company will continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs. In addition to this having an impact on any future wholly-owned projects, the Company could find itself in a position at a future time where it is unable to fund its share of costs incurred under joint venture agreements to which it is a party, and its interest in such joint ventures could be reduced or eliminated as a result.

The Company is very reliant upon its existing management, and if the services of such personnel were withdrawn for any reason, this could have a material adverse impact on the Company's operating activities.

There is intense competition within the minerals industry to acquire properties of merit, and the Company competes with other companies possessing greater technical and financial resources than itself. Even if desirable properties are secured, there can be no assurances that the company will be able to execute its exploration programs on its proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring in areas that lack infrastructure, such as the availability of essential supplies and services.

Over the past several years, the prices of commodities have increased substantially, stimulating a rapid growth in exploration expenditures and intensifying the competition for talent and services. These conditions are leading to increased costs and difficulties in scheduling contractors at times that are optimal from the Company's perspective.

The Company's future exploration activities may require permits from various governmental agencies charged with administrating laws and regulations governing exploration, labor standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection and other matters. Failure to comply with laws, regulations and permit conditions could result in fines and/or stop work orders, costs for conducting remedial actions and other expenses. In addition, legislation changes to existing laws and regulations could result in significant additional costs to comply with the revised terms and could also result in delays in executing planned programs pending compliance with those terms.

Outstanding Share Data

As at the date of this report, the Company has:

a) 14,872,727 common shares outstanding, of which 6,808,909 common shares are held in escrow;
b) 4,772,727 stock options outstanding with an exercise price of $0.15, expiring on August 6, 2012; and
c) 1,400,000 stock options outstanding with an exercise price of $0.25, expiring on October 19, 2015.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.