CAP-EX VENTURES LTD.

Management Discussion and Analysis

Year Ended August 31, 2009

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as at December 23, 2009 and should be read in conjunction with the audited financial statements for the year ended August 31, 2009 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 Business Corporations Act (British Columbia) on February 27, 2007 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities of its Qualifying Transaction ("QT"). On January 14, 2008, the Company's shares began trading on the TSX-V under the symbol "CEV.P".

Until the completion of a QT, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential QT.

Qualifying Transaction

During the year ended August 31, 2009, the Company incurred travel, consulting and legal costs totaling $115,043. In January of 2009, seven individuals (the "Creditors") forwarded a total of C$141,000 (the "Debt") to the Company with the intention that the Company should forward it to Zhu Zhong Neng and / or Chayouzhongqi Xingda Mining and Development Company Ltd. (collectively, the "Debtors") as a loan between the Creditors and the Debtors. In error, the Debtors executed a promissory note (the "Note") dated January 14, 2009 promising to pay the Debt to the Company (which had forwarded to the Debtors the funds representing the Debt) rather than to the Creditors directly; and to rectify the error, the Company assigned any and all interest it has in the Note to the Creditors, pro rata according to the amounts of funds that the Creditors advanced. Of the $141,000 advanced, $135,443 (US$110,000) was used to provide an advance to the party with which the Company is currently negotiating its potential QT as described above. The balance of $5,557 was used to cover other expenses relating to the QT and for working capital requirements.

The 24 month period for the Company to complete its Qualifying Transaction is January 13, 2010. The Company, in August, 2009, applied for a six month extension to the time for it to complete its Qualifying Transaction. The Exchange has not made a decision on this application. The Exchange may, if the extension is not granted, at any time choose to delist the Company's shares or halt trading in them. The Exchange may also choose to transfer the Company's listing to the NEX exchange. The Exchange has not advised the Company that it intends to take any imminent action and the Company continues to seek a Qualifying Transaction.

Selected Annual Financial Information

	Year ended August 31, 2009	Year ended August 31, 2008	Period from incorporation on February 27, 2007 to August 31, 2007
Operating Expenses	$ 167,462	$ 165,818	$ 8,840
Loss for the period	(167,462)	(165,818)	(8,840)
Loss per Share – Basic and Diluted	(0.04)	(0.05)	(0.00)
Total Assets	7,093	101,428	106,179
Long Term Liabilities	-	-	-
Cash Dividends Declared	-	-	-
Cash Flows From (Used In):			
Operating activities	$ (103,603)	$ (138,321)	$ (1,608)
Investing activities	-	-	-
Financing activities	5,557	159,122	82,235
Net Increase (decrease) in cash	$ (98,046)	$ 20,801	$ 80,627

Results of Operations

During the year ended August 31, 2009, the Company recorded a loss of $167,462 compared to a loss of $165,818 for the year ended August 31, 2008. The significant changes during the year ended August 31, 2009 compared to the year ended August 31, 2008 are as follows:

Project investigation costs increased to $90,405 during the year ended August 31, 2009 from $67,113 during the year ended August 31, 2008 as the Company continued evaluating a potential QT.

Rent decreased to $15,000 during the year ended August 31, 2009 from $30,000 during the year ended August 31, 2008. The Company ended its rental agreement on February 28, 2009.

Stock-based compensation, a non-cash expense, decreased to $Nil during the year ended August 31, 2009 from $21,465 during the year ended August 31, 2008. No options were granted during the year ended August 31, 2009 while 400,000 options were granted during the year ended August 31, 2008.

Transfer agent and filing fees increased to $13,590 for the year ended August 31, 2009 from $7,043 for the year ended August 31, 2008. The Company completed its initial public offering during the year ended August 31, 2008 and incurred a full year of costs during fiscal 2009.

Travel and related costs increased to $24,638 during the year ended August 31, 2009 from the $20,080 incurred during the year ended August 31, 2008. The increase was due to the Company attending various trade shows and events as well as evaluating a potential QT.

During the three months ended August 31, 2009, the Company had a loss of $11,968 compared to a loss of $86,075 for the three months ended August 31, 2008. The significant decrease over the comparative period was primarily attributed to the $67,113 spent on property investigations costs in connection with a potential QT in the comparative year. Additionally, rent decreased from $7,500 in the comparative period to $Nil in the current period and professional fees decreased from $5,653 in the comparative period to $2,250 in the current period.

Quarterly Information

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

	Three Months Ended August 31, 2009	Three Months Ended May 31, 2009	Three Months Ended February 28, 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)

	Three Months Ended August 31, 2008	Three Months Ended May 31, 2008	Three Months Ended February 29, 2008	Three Months Ended November 30, 2007
Total assets	$ 101,428	$ 184,787	$ 215,158	$ 98,366
Deferred financing costs	-	-	-	31,765
Working capital (deficiency)	82,164	166,442	187,252	40,833
Loss and comprehensive loss for the period	(86,075)	(19,013)	(51,130)	(18,512)
Loss per share (basic and diluted)	(0.02)	(0.00)	(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 CAPE-X 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 continues to actively search for a Qualifying Transaction.

Subsequent Events

On September 3, 2009 the Company announced a non-brokered private placement (THE "PRIVATE PLACEMENT") of 15,000,000 units at a price of $0.02 per unit for proceeds of $300,000. Each unit was to consist of one common share of the Company and one non-transferable share purchase warrant entitling the holder to acquire one common share of the Company at a price of $0.05 for a period of 18 months from the completion date of the private placement.

On October 7, 2009 the Company announced that no warrants would be issued with the Private Placement.

The Company was advised by the Exchange that it would not accept a price of $0.02 per share for the private placement and advised the Company to re-price the private placement at $0.05 per share and obtain written consents to the private placement from the majority of the minority shareholders. As shareholder consents have been obtained and submitted to the Exchange, the Company expects to issue 6,000,000 shares at $0.05 per share for proceeds of $300,000 and is awaiting Exchange approval or further comment.

During the period, 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. The Company is awaiting Exchange approval of these escrow transfers which must be obtained prior to effecting the transfers.

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, 2009, the Company had a working capital deficiency of $85,298 and a cash position of $3,382 while at August 31, 2008, the Company had a working capital position of $82,164 and a cash position of $101,428. The decrease in working capital of $167,462 was due to ongoing operations of the Company and continued efforts on the QT.

The Company does not have sufficient funds to meet anticipated administrative expenses and necessary costs associated with reviewing and completing any due diligence leading to the completion of a future QT. The Company will be required to raise additional capital to complete a future QT. Any such transaction will be subject to shareholder approval and acceptance by regulatory authorities. Until completion of a QT, the Company will not carry on any other business.

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.

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

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 January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.

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

The Company is assessing the potential 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.

Risk, Uncertainties and Outlook

As a company that is actively trying to complete its QT 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) 4,000,000 common shares outstanding, of which 2,000,000 common shares are held in escrow; and
b) 120,000 stock options outstanding with an exercise price of $0.10, expiring on January 9, 2013.

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.