

ORKO GOLD CORP.Quarterly Report to Shareholders for the 4th Quarter Ended October 31, 2004**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS FOR YEARS ENDED OCTOBER 31, 2004 AND OCTOBER 31, 2003****(Dated February 3, 2005)****DESCRIPTION OF BUSINESS**

In 2002, the Company had negotiated a 60% interest in the Red Lake property located in Northern Ontario. In the third quarter of 2003, the drilling program was completed and a final report was received summarizing all of the results. Although some encouraging intersections were encountered, the program did not find any definable reserves. After reviewing the report and recommendations early this year, management engaged an independent professional geologist to provide a review assessment of the results. His report recommended that no further work should be done on the property, and on this basis, management decided not to proceed with any further work and all costs were written off in the first quarter of this year.

On December 1, 2003, the Company entered into a joint venture with Minas Sanluis S.A. de C.V., a subsidiary of Wheaton River Minerals Ltd., with Luisman, S.A. de C.V., and with Minera Thesalia, S.A. de C.V. to acquire an interest in the La Preciosa gold/silver project located in the State of Durango, Mexico. Under the terms of the agreement, Orko can earn a 51 percent interest in the project by incurring exploration and development expenditures of US\$1 million over the next five years. The Company will also issue 50,000 common shares to Minas Sanluis upon TSX Venture Exchange approval, and a further 50,000 common shares 12 months following the acceptance date.

The La Preciosa project hosts tertiary-aged gold and silver bearing epithermal quartz vein systems, associated with barite and minor quantities of base metals. The vein trend is principally north/south, although there are subordinate, mineralized vein systems that run in an east/west direction. These east/west veins typically average 2.5 meters in width and yield higher gold values. The La Preciosa claims cover over 1,300 hectares and are located about an hour and a half from Durango, Durango State, Mexico.

On June 21, 2004, the Company announced that it had acquired an option for a 51% participation in a second property from Wheaton through its subsidiary, Minas de Sanluis S.A. de C.V. The terms of this second option are similar to those of the first with Wheaton on the La Preciosa property. The Company is required to make expenditures of US\$1 million over the next five years and to issue 100,000 common shares, the first 50,000 shares upon acceptance by the TSX Venture Exchange and the remaining 50,000 after one year from the date of approval.

The property, termed "Santa Monica", covers 16,000 hectares and is located in the Municipality of Panuco de Coronado, Durango State, Mexico, and is adjacent to the La Preciosa property.

Subsequent to the year-end, the Company has retained a geophysics contractor to conduct an IP survey on the La Preciosa property. Currently, the survey is underway, and will be completed shortly. Management expects that a number of suitable drill targets will be identified from the survey, and is now discussing with drilling contractors a drilling program to commence in March, presently estimated to be approximately 5,000 metres.

Results of Operations for the years ended October 31, 2004 and October 31, 2003:

For the year ended October 31, 2004, the Company incurred general operating costs aggregating \$360,219, which is approximately 19 per cent higher than the comparable costs of \$303,411 incurred in 2003. The higher costs reflect higher management fees of \$96,000, up from \$41,700, and a first-time charge for the imputed, non-cash value of the stock options granted in 2004 to directors, officers and others which amounted to \$32,852. The higher management fees reflect the costs of additional staff this year. Offsetting these increases, professional fees were lower at \$42,666, down 34 per cent from the prior year level of \$64,233, and travel of \$36,860, which is also 34 per cent lower than the 2003 level of \$55,730. All other cost levels were essentially comparable to those of the prior year.

During the current year, the Company incurred initial exploration costs on the La Preciosa property only of \$40,755, down significantly from the much higher expenditures incurred in 2003 of \$273,976 on the Red Lake property. In addition, early this year, the Company wrote off its remaining Red Lake property costs amounting to \$66,000.

Overall, for the year ended October 31, 2004, the Company incurred a loss of \$465,567 or \$0.02 per share, virtually the same level as in 2003, where the loss for the year was \$465,402 or \$0.04 per share.

ORKO GOLD CORP.Quarterly Report to Shareholders for the 4th Quarter Ended October 31, 2004Statement Of Mining And Exploration Expenditures For The Twelve-Month Period Ended October 31, 2004

MINING PROPERTIES	RED LAKE	SANTA MONICA	LA PRECIOSA	TOTAL
	\$	\$	\$	\$
Balance, October 31, 2003	66,000	-	-	-
Additions in the period:	(66,000)	-	-	-
Balance, October 31, 2004	-	-	-	-
EXPLORATION EXPENDITURES				
Geophysical	-	-	-	-
Geochemical	-	-	-	-
Geological-general	-	-	40,755	40,755
Total Expenditures for the period	-	-	40,755	40,755

Selected annual financial information:

	For the year ended October 31, 2004	For the year ended October 31, 2003	For the year ended October 31, 2002
	\$	\$	\$
Total revenues	Nil	Nil	Nil
Loss before discontinued operations and extraordinary items:			
(i) total for the year	465,567	465,402	423,369
(ii) per share	0.02	0.04	0.04
(iii) per share fully diluted	0.02	0.04	0.04
Net loss:			
(i) total for the year	465,567	465,402	423,369
(ii) per share	0.02	0.04	0.04
(iii) per share fully diluted	0.02	0.04	0.04
Total assets	64,756	346,224	137,114
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per-share	Nil	Nil	Nil

ORKO GOLD CORP.Quarterly Report to Shareholders for the 4th Quarter Ended October 31, 2004Selected quarterly financial information:

	4 th Quarter Ended October 31, 2004	3 rd Quarter Ended July, 2004	2 nd Quarter Ended April 30, 2004	1 st Quarter Ended January 31, 2004
	\$	\$	\$	\$
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for period	131,571	73,218	96,742	164,037
(c) Loss per share	0.01	0.004	0.005	0.01
	4 th Quarter Ended October 31, 2003	3 rd Quarter Ended July, 2003	2 nd Quarter Ended April 30, 2003	1 st Quarter Ended January 31, 2003
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for period	121,551	124,712	214,239	4,900
(c) Loss per share	0.01	0.01	0.02	0.01
	4 th Quarter Ended October 31, 2002	3 rd Quarter Ended July, 2002	2 nd Quarter Ended April 30, 2002	1 st Quarter Ended January 31, 2002
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for period	234,011	55,220	77,863	56,275
(c) Loss per share	0.02	0.01	0.01	0.01

Summary of Securities (as at October 31, 2004):Authorized Capital

100,000,000 common shares without par value:

Issued and outstanding	No. of shares	Amount
Balance as at October 31, 2004	19,558,384	\$4,429,559

Options

Number of common shares issuable	Exercise Price	Date of Expiry
1,245,000	\$0.11	October 21, 2008
260,000	\$0.22	December 4, 2005
350,000	\$0.08	October 5, 2006

Warrants

Number of common shares issuable	Price per share	Expiry date
6,700,000	\$0.10	October 31, 2005

Convertible Securities

Nil

Total Number of Shares in Escrow

Nil

ORKO GOLD CORP.

Quarterly Report to Shareholders for the 4th Quarter Ended October 31, 2004

Summary of Financial Position:

The Company's financial position declined by \$206,481 from the opening level of \$250,072 at the beginning of the year to \$43,591 at year-end. In 2003, share subscriptions amounting to \$342,000 had been received immediately prior to the year-end, which gave rise to the high opening cash balance. In the first quarter, this was supplemented by additional funds of \$162,000 received to complete the private placement of 6,300,000 Special Warrant units. Each Special Warrant unit entitles the holder to receive one common share of the Company for no additional consideration, and grants the right to purchase an additional share at a price of \$0.10 for a period of two years from the date of closing. The Company also issued 380,000 shares as a finder's fee related to this financing. At the same time, the Company issued another 400,000 Special Warrants having the same terms and conditions as above to settle indebtedness of \$32,000.

The accumulated cash, comprised of the opening cash of \$250,072 together with the net proceeds from the final tranche of \$162,000, served to fund the Company's net loss, the impact of which, after adjustment for non-cash items, primarily the property write-off of \$66,000 and the stock-based compensation charge of \$32,852, amounted to \$368,073. Consequently, cash on hand of only \$43,591 remained at year-end.

As part of the commitments for both the La Preciosa and the Santa Monica properties, the Company must issue 50,000 common shares to the optionor upon acceptance by the TSX Venture Exchange and an additional 50,000 common shares following one year from the date of approval. As noted above, the agreement also requires that the Company incur expenditures over the next five years amounting to USD\$1 million to earn its working interest on each property. The required expenditures are as follows:

	La Preciosa	Santa Monica
Year 1	\$ 50,000	\$ 75,000
2	100,000	100,000
3	150,000	125,000
4	250,000	250,000
5	450,000	450,000

While the schedule calls for the project expenditure level to grow, management is planning for a more aggressive exploration program and expects that additional financing will be necessary this year. Please see subsequent event comments below. The funds received from these financing activities will be used to fund the Company's exploration commitments and for general operating expenses.

Related Party Transactions:

For the year, the Company paid management fees amounting to \$96,000 to two officers for services provided. The comparable amount, reported in the prior year, was \$41,700. No director fees were paid in the year. An amount of \$3,539 payable to an officer is included in accounts payable at October 31, 2004, whereas fees accrued and unpaid of \$14,427 were in the prior year comparable payable balance.

Subsequent Events:

The Company issued 1,000,000 shares during the month of November 2004 and 800,000 shares in January, 2005 for the exercise of warrants, all priced at \$0.10 for net proceeds of \$180,000.

The Company announced that it has arranged, subject to all necessary regulatory approvals, a Private Placement of 1,100,000 units at a price of \$0.15 per unit for total proceeds of \$165,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each share purchase warrant shall be exercisable for a period of two years at a price of \$0.15 per share if exercised in the first year and at a price of \$0.20 per share if exercised in the second year. The net proceeds of the Offering will be used for current working capital and ongoing exploration on the Company's properties. The Company will pay a finder's fee to certain finders in accordance with the policies of the TSX Venture Exchange, in cash or units. The securities issued under the Private Placement will be subject to a four-month hold period from closing.

On January 17, 2005, the Company announced that it had extended the above-noted Private Placement to 2,200,000 units, which will then yield \$330,000 gross proceeds.