

**INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDING MARCH 31, 2004
GITENNES EXPLORATION INC.**

May 13, 2004

Description of the Business

Gitennes Exploration Inc. (the "Company") is in the business of exploring for mineral deposits in Canada and Perú. The Company acquires properties directly by staking or through option agreements with prospectors or other exploration companies. The Company is also committed to developing new projects through regional reconnaissance, property examinations and by liaison with a network of industry contacts. None of the properties that the Company currently owns or holds under option have been adequately explored to prove the existence of ore reserves.

Risk and Uncertainties

The business of exploration and mining is risky and there is no assurance that current exploration programmes will eventually result in profitable mining operations. The recoverability of money spent on the resource properties is dependent upon various factors. These include actually discovering a potentially economic mineral deposit and then transforming the deposit into ore reserves through a series of stringent technical programmes. Following upon this is the ability of the Company to obtain all necessary financings to complete the development of a property and place it into commercial production. The Company must also raise funds for corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will continue to do so.

The mineral industry is intensely competitive and there are inherent risks in all its phases. The Company competes with other companies, many who have greater financial resources and experience. Metal prices are volatile and cannot be controlled.

The Company's exploration activities outside of Canada make it subject to foreign currency fluctuations and this may adversely affect the Company's financial position and results of operations. The Company does not engage in currency hedging activities. It does maintain some funds in US dollar accounts and investments until such time as the funds are drawn upon.

The Company is aware that the government of Perú is debating the implementation of a royalty scheme on mining operations. These initiatives are at a preliminary stage and may not be enacted. However, the possibility of an unfavourable tax being imposed upon the Company's properties is a concern as it could have a negative impact on the future performance of the Company.

In summary, the Company has limited financial resources, no source of operating cash flow and no assurances that funding will be available to conduct future exploration and development, even to fulfill its longer-term obligations under the terms of option or joint venture agreements.

Overview

The Company's primary focus is the exploration for gold and silver deposits in Perú, followed by copper and other base metals in Canada. During the period ending March 31, 2004 the Company's 50% affiliate, Compañía Minera Corimalqui S.A., undertook certain environmental assessment and socioeconomic studies in the area of the Urumalqui property in northern Perú. See "*Results of Operations*". Exploration activity, including more drilling is expected to begin during the second or third quarter of 2004. The Company's 100% owned affiliate, Gitennes Exploraciones Perú S.A. ("Gitennes Exploraciones") undertook technical and terrain studies on its Rio Seco property in coastal, central Perú. Gitennes

Exploraciones also undertook various surface geochemical surveys and geological studies on the La Chivona property in coastal, northern Perú. The Company devoted considerable time to its project development and acquisition initiatives, conducting prospecting and sampling programmes in a number of prospective regions in southern and central Perú.

In Canada, the Company undertook no field work during the period. Diamond drilling on the Company's Badger - Bear Options was in the planning phase.

Overall Performance

Unless noted otherwise, all figures are in Canadian dollars.

The Company has sufficient funds to meet its various property agreement obligations for the 2004 fiscal year (totaling \$270,000) and office-related commitments (\$65,000). Cash and cash equivalents at March 31, 2004 were \$1,881,777 compared with \$515,411 at March 31, 2003 and \$1,610,166 at December 31, 2003.

The principal reason for the increased cash is the gain on disposal of the Company's interest in the Rio Blanco project of \$1,893,988 during the second quarter of 2003. In April 2003 the Company sold its rights and interest in the Rio Blanco project to Monterrico Metals plc ("Monterrico"). The April 2003 transaction was valued at US\$1,500,000 (\$2,226,900) and comprised a cash payment of US\$1,000,000 plus 412,092 shares in the capital of Monterrico valued at US\$500,000. The shares have been sold, with an initial block of 300,000 shares resulting in a net gain of \$497,277. During the period ending March 31, 2004, the balance of the shares was sold for \$633,321, resulting in a gain of \$431,267. No similar transaction occurred in the period ending March 31, 2003.

The Company's cumulative resource property costs to March 31, 2004 were \$1,954,302 (\$1,428,145 to March 31 2003 and \$1,906,548 for the year ending December 31, 2003). The increase is due to exploration at the Urumalqui and Rio Seco properties.

Financing Activities

No financing activities were undertaken by the Company during the period ending March 31, 2004. In the future the Company is likely to attempt to raise money in the market. Funds will be used to fund ongoing exploration and to maintain cash reserves so as to remain competitive in the field of project acquisitions.

Results of Operations

Income

During the first quarter ending March 31, 2004 the Company recorded a gain on the sale of marketable securities of \$431,267. There was no comparable gain in the period ending March 31, 2003.

Expenses

A summary of important expenses for the periods ending March 31, 2004, 2003 and 2002 include:

First Quarter Ended March 31	2004	2003	2002
Audit, accounting, legal & professional fees	\$38,609	\$24,257	\$22,297
Filing, transfer fees & investor relations	\$38,918	\$69,111	\$18,249
Office rent, utilities & sundry	\$27,283	\$24,569	\$28,885
Salaries & benefits	\$58,255	\$25,385	\$23,842
Write-down of mineral properties	NIL	NIL	NIL
General exploration	\$9,674	\$38,057	\$76,008
Foreign exchange loss (gain)	\$23,531	\$34,724	(\$2,680)

Audit, accounting, legal and professional fees to March 31, 2004 are higher than for the periods ending March 31, 2002 and 2003. This is in part a reflection of the increasing costs of regulatory compliance in Canada.

Filing, transfer fees and investor relations expenses to March 31, 2004 are lower than the comparable period in 2003, primarily due to fewer investor relations activities.

Office rent, utilities and sundry costs remain comparable for the period ending March 31 in all three years under discussion.

Salaries and benefits for the period ending March 31, 2004 are higher than in the same period in 2002 and 2003. This is owing to the increasing costs in retaining qualified employees and consultants.

General exploration expenses for the periods ending March 31, 2004, 2003 and 2002 are declining, reflecting in part the shift to property activities over the years.

Foreign exchange losses are significantly higher than for the period ending March 31, 2002 but less so than for the same period in 2003. This is due to the rapid increase in value of the Canadian dollar compared to the United States dollar subsequent to the period ending March 31, 2002, and the recent relative-strength of the United States dollar. The Company maintains significant portions of its cash reserves in United States dollars.

Properties

The Company has four mineral projects in Perú (Urumalqui, La Chivona, Rio Seco and Lapidem) and three mineral projects in Canada (the Fox in British Columbia and the Bear / Badger and Esten projects in Ontario). Work on these projects is carried out under the supervision of Jerry Blackwell, P.Geo, and James Foster, P.Geo. Both are qualified persons as defined in National Instrument 43-101.

Urumalqui Property

The Urumalqui property is a joint venture between the Company, through a 50% interest in affiliate Compañía Minera Corimalqui S.A. ("Corimalqui"), and Meridian Gold Inc. It is located in the Andes Mountains of north-central Perú about 70 km east of the port city of Trujillo. Expenditures during the quarter ending March 31, 2004 were \$6,924. Cumulative expenditures to March 31, 2004 were \$535,312.

During the first quarter of 2004, contractors acting on behalf of Corimalqui, concluded a number of rights-of-access agreements with local landowners, initiated community discussions and agreements, and undertook environmental baseline work, and socio-economic studies. This activity continued into the second quarter. Exploration work, including drilling, is planned to begin during the second or third quarters of 2004.

La Chivona Property

The Company has a 100% interest in La Chivona, located in north-coastal Perú. The property was acquired in 2003. Exploration during the period included rock and soil geochemical sampling, prospecting, and geological mapping. The Company is planning additional surveys during 2004. Expenditures during the quarter ending March 31, 2004 were \$17,577. Cumulative expenditures to March 31, 2004 were \$164,512.

Rio Seco Property

The property is located in coastal, central Perú. The Company undertook technical and terrain studies of the property. Expenditures during the quarter ending March 31, 2004 were \$6,317. Cumulative expenditures to March 31, 2004 were \$257,629.

Lapidem Property

The property is located 55 km east of Trujillo in the Andes Mountains. No geological exploration occurred during the first quarter of 2004.

Badger and Bear Option

The Badger property is 135 km north of Thunder Bay, Ontario. During the quarter ending March 31, 2004 the Company spent \$2,854 on preparing for a forthcoming diamond drill programme. The Company expects to complete a limited core drilling programme during May, 2004.

The Bear property is situated 145 km north of Thunder Bay, Ontario. No work was conducted on the Bear property during the reporting period.

Expenditures on the Bear and Badger Option during the period ending March 31, 2004 were \$16,854. Cumulative expenditures to March 31, 2004 were \$270,725.

Esten Option

This property, which was acquired in 2003, is located south of Elliot Lake, Ontario. No work was undertaken during the first quarter of 2004.

Fox Property

No work was undertaken on this south-central British Columbia property during the first quarter of 2004.

Summary of Unaudited Quarterly Results

Three-month period ending:	Total Revenues	Net Income (Loss)	Income (Loss) per Share (basic)	Income (Loss) per Share (diluted)
March 31, 2004	\$NIL	\$ 226,733	\$0.01	\$0.01
December 31, 2003	\$NIL	\$157,938	\$0.01	\$0.01
September 30, 2003	\$NIL	(\$180,754)	(\$0.01)	(\$0.01)
June 30, 2003	\$NIL	\$1,508,579	\$0.05	\$0.05
March 31, 2003	\$NIL	(\$220,458)	(\$0.01)	(\$0.01)
December 31, 2002	\$NIL	(\$128,928)	(\$0.01)	(\$0.01)
September 30, 2002	\$NIL	(\$52,883)	(\$0.01)	(\$0.01)
June 30, 2002	\$NIL	(\$231,776)	(\$0.01)	(\$0.01)

Liquidity

The Company has no mining operations and its mineral projects are at an early stage. It is therefore exposed to many risks common to comparable companies, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues.

The interim consolidated financial statements for the period ending March 31, 2004 have been prepared on the basis of accounting principles applicable to a going concern. The assumption is that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Excepting the quarters ending March 31, 2004, December 31, 2003 and June 30, 2003, the Company has consistently reported operating losses. The Company has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding will be available to further explore and develop its mineral property projects, or to cover the overhead costs necessary to maintain a public company.

The Company's cash and cash equivalents increased by \$271,611 during the three-month period ending March 31, 2004. At March 31, 2004 the cash and cash equivalents was \$1,881,777 compared to \$1,610,166 at December 31 2003.

Though reasonably financed at this time, it is likely that the Company will have to raise additional funds. Shareholders are referred to the earlier discussion on "*Risk and Uncertainties*".

The Company is not encumbered by onerous contractual obligations. It has no long term debt, no capital lease obligations, no purchase obligations and its only operating leases are with respect to office premises. In Vancouver, the Company has a three-year lease on office and storage space that expires on October 21, 2005. The monthly fee is \$2,115 plus operating expenses. In Lima, Perú the Company's affiliates lease office space for US\$1,150 per month on a rental agreement that is renewed annually during November.

Capital Resources

The Company has sufficient capital to meet the terms of its property option agreement for the Esten Option (\$100,000) and its joint venture obligation in respect of the Urumulqui property (US\$125,000). All other expenditure requirements in respect of the Fox and the Badger and Bear Options have been met for 2004.

The renewed activity in the resource sector has revealed a shortage of skilled, qualified professionals and administrators while highlighting the significantly increased time and money required by continuously changing compliance and accounting policies and new regulations.

Similarly, exploration and mining costs are rising rapidly. Exploration programmes spend money rapidly, and the Company is vigilant in its efforts to contain costs while advancing its properties.

Transactions with Related Parties

During the first quarter ending March 31, 2004 the Company paid \$65,230 (quarter ending March 31, 2003 - \$55,426) in salaries and administrative and geological consulting fees to officers and directors of the Company and its subsidiaries. During the same period the Company incurred \$7,534 (quarter ending March 31, 2003 - \$NIL) in legal fees, paid to a law firm in which a director of the Company is a partner. Accounts payable and accrued liabilities at March 31, 2004 included \$20,074 (year ending December 31, 2003 - \$17,801), payable to a law firm in which a director of the Company is a partner.

Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of May 13, 2004, the number of issued common shares was 29,220,831 (31,960,831 on a fully diluted basis).

There are no share purchase warrants outstanding.

As at May 13, 2004, there were 2,900,000 stock options granted to directors and officers of the Company and its affiliates, and 120,000 stock options granted to employees or long-term contractors, for a total of 3,020,000. The Company has a fixed stock option plan.

Number	Exercise Price	Expiry Date
750,000	\$0.35	April 21, 2009
900,000	\$0.15	October 1, 2007
370,000	\$2.80	March 30, 2008
520,000	\$0.13	May 4, 2008

80,000	\$0.30	November 10, 2010
400,000	\$0.40	March 9, 2011
<hr/> 3,020,000 <hr/>		

Changes in Accounting Policies

The Company adopted the recommendations of CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", effective for all awards granted on or after January 1, 2002. The adoption of this recommendation established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services.

As encouraged by CICA Handbook Section 3870, the Company has put into place an early adoption of the fair value based method of accounting for awards issued to employees and non-employees for the fiscal year beginning January 1, 2003. This requires that all stock-based awards made to employees and non-employees be measured and recognized using a fair value based method. In prior years, stock-based compensation expense was only recognized when stock-based compensation awards were made to non-employees, while pro-forma disclosure was acceptable for awards made to employees.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, marketable securities, accounts payable and amounts due from a joint venture partner. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. At March 31, 2004 the Company held currency totaling US\$1,425,719, which is exposed to currency risk given fluctuations in the prevailing exchange rates between the Canadian and United States dollar.

Approval

The Board of Directors of the Company has approved the disclosure contained in this Interim MD&A. A copy of this Interim MD&A will be provided to anyone who requests this document.

Additional Information

The Company's publicly filed documents are available on the Company's website or on SEDAR at www.sedar.com

Cautionary Note

Certain statements included herein constitute "forward looking statements". Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or of the mining industry to be materially different from future results, performance or achievements expressed or implied by these forward looking statements. There can be no assurance that such statements will prove accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. All current and subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.